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THE JERUSALEM POST

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Peres tells Bush: Ties are now at record high

Jerusalem Post Staff
U.S. Vice President George Bush arrived here yesterday for a four-day visit that began with diplomatic ceremony but is likely to continue with discussion of peace prospects and U.S.-Israeli strains on security matters.

At the reception for Bush in the Knesset last night, Prime Minister Peres described Israeli-U.S. relations as being at an "all-time high."

He added jokingly: "Thank heavens for the Lavi so that we have something to argue about."

Peres spoke of the common Israeli and American concern about "the danger of international terrorism." Peres expressed certainty that in the end, "freedom and democracy" would prevail.

Bush, referring to "this great country," spoke at length of his visit earlier in the day to Yad Vashem and read out from a letter by one of the American soldiers who had participated in the liberation of a Nazi death camp.

Bush then said that "we" must not forget the Holocaust, whose survivors, he said, had contributed to the establishment of Israel, "this city on a hill, this light unto the Gentiles."

Bush earlier paid a courtesy call on Peres in his home. Peres briefed him on his meeting with Morocco's King Hassan.

Bush's Air Force Two jet landed at Ben-Gurion Airport at noon yesterday. His visit officially began shortly afterwards with a welcoming ceremony at the Rose Garden next to the Knesset in Jerusalem.

At the ceremony Peres welcomed Bush as "an outstanding leader of your nation."

Bush said that Peres's meeting last week with Hassan had shown his "dedication to peace" and had "captured the imagination of everybody in my country."

The vice president is being accompanied by his wife Barbara, Assistant Secretary of State Richard Murphy and dozens of reporters.

In a meeting with Vice Premier Yitzhak Shamir early yesterday evening, Bush stressed that the U.S. administration looked forward to working with Shamir when he becomes prime minister in October.

Shamir thanked Bush for American help in bringing Ethiopian Jews to Israel.

Bush's main talks with Peres and Shamir are to take place Wednesday, and are expected to focus on ways to exploit Peres's meeting with Hassan to get peace efforts moving again.

The problem of how much it will cost to finance Israel's Lavi fighter-bomber project, allegations of attempted smuggling of U.S. technology and the Pollard spy affair are likely to come up for discussion tomorrow when the Ministry of Defense and the IDF host Bush at an Air Force base.

After being greeted at the entrance to the base by an IDF honour guard, Bush will participate in an hour-long discussion with his hosts. After lunch he will be shown various Israeli-developed weapons systems.

On Wednesday Bush is to sign a memorandum of understanding between the U.S. and Israel affirming the importance of two-way tourist traffic between the two countries.

Because America strongly objects to Israel's continued imposition of a travel tax, there was some doubt during the past week as to whether Bush would in fact sign the memorandum.

Bush is to take a walking tour of Jerusalem today, including the remains of the Cardo in the Old City, accompanied by Mayor Teddy Kollek.

31 reportedly injured in sudden Beirut shelling

BEIRUT (Reuters). - Thirty-one people were wounded in a sudden exchange of rocket and mortar fire yesterday between Christian East Beirut and the predominantly Moslem western sector, local radios reported.

They said the shelling hit many residential areas in both sectors, and called for blood donors to report to hospitals.

It was the first big flare-up of factional fighting in the Lebanese capital since a Syrian-backed security plan took effect in the Moslem half of the capital four weeks ago.

**EIGHT PAGES
FROM SUNDAY'S
The New York Times
WEEKLY REVIEW
INSIDE TODAY**



Prime Minister Peres listens to U.S. Vice President George Bush's remarks yesterday at the Rose Garden welcoming ceremony. (Rahamim Israeli)

Hassan quits Arab summit leadership

**Jerusalem Post Staff
and Agencies**

King Hassan of Morocco yesterday announced that he was resigning as Arab summit chairman following adverse reaction from some Arab states to his talks in Ifrane last week with Premier Peres. The king, who has sought to promote Arab summits for the past four years, handed over responsibility for organizing the next summit to Arab League Secretary-General Cheddi Klibi.

In Cairo, meanwhile, former Arab world. Egypt was expelled from the Arab League following former president Anwar Sadat's visit to Israel.

The People's Congress of Libya, chaired by Col. Muammar Gaddafi, has called on the joint Libyan-Moroccan Court of Justice to try those responsible for the Ifrane talks, according to Radio Monte Carlo.

The joint court is provided for under the 1984 state union treaty between the two countries.

Informed sources believe that Damascus, which broke off ties with Hassan in reaction to the talks, has been pressing Libya to follow suit.

In Hassan's letter of resignation to Klibi, published yesterday by the official Moroccan news agency, the king said he was relinquishing the job because of the "upheavals" caused in some Arab capitals by his meetings with Peres.

The last full Arab summit was held in Fez in 1982. The next regular annual meeting was planned in Saudi Arabia in November 1983 but it has been postponed several times because of Arab differences.

King Hassan hosted an extraordinary summit in Casablanca last August which was boycotted by five states, including hardliners Syria and Libya as well as Algeria, South Yemen and Lebanon.

The Casablanca summit gave guarded approval to a then-common platform for a Middle East peace initiative by Jordan and the PLO.

Sources close to the Moroccan government said yesterday that Rabat would like the next summit to be held on "neutral ground" in Tunis, where the Arab League has its headquarters.

No Bush in the Forest

**By GREER FAY CASHMAN
Jerusalem Post Reporter**

U.S. Embassy officials yesterday were unable to explain satisfactorily why Vice President Bush had withdrawn his participation from the dedication ceremony of the Leon and Marilyn Klinghoffer Memorial Forest in the American Independence Park near Beit Shemesh.

The ceremony, which had been scheduled for this afternoon, has been cancelled.

One embassy staffer suggested that there was not enough time to get Bush and his entourage to the site and back to Jerusalem, said the staffer.

This was discounted, however, by Jewish National Fund spokesman David Angel, who told *The Jerusalem Post* that the Foreign Ministry had offered to put a helicopter at the disposal of Bush and his party, but the offer had been rejected.

Two weeks ago, said Angel, U.S. security men toured the dedication

site with JNF officials, and they seemed satisfied. Then last week the JNF was notified that Bush would not attend the dedication. No reasons were given, Angel said.

When it was first known that Bush was coming to Israel, the JNF of America proposed the establishment of a Challenger Forest in memory of the space-shuttle disaster victims. When the war against terrorism became more topical than Challenger, a recommendation came from Bush's office, according to Angel, to dedicate the forest to the memory of the Klinghoffers.

Leon Klinghoffer, an elderly American Jew confined to a wheelchair, was murdered by the Palestinian hijackers of the Achille Lauro cruise ship last October. His widow Marilyn, who was with him on the ship, died of cancer five months ago.

Angel said he believed one of the two Klinghoffer daughters had been invited to accompany Bush to Israel for the dedication ceremony.

Price of industrial oil slashed today

By BERNARD JOSEPHS

The cost of oil to industry was slashed from midnight last night, following discussions between the Energy Ministry and the Treasury, it was announced yesterday.

The reduction is likely to mean cheaper electricity to householders.

The cuts, ranging from 9.5 per cent to nearly 20 per cent, follow last week's snap decision by Egypt to sharply reduce the price of its crude oil.

An Energy Ministry spokesman said the new prices reflected the ministry's policy of keeping fuel prices in line with their real value. He emphasized that under this policy, industry would be the first to benefit from price cuts.

In a statement, the ministry said the price of oil to the Electric Corporation would fall by 9.8 per cent; to the petrochemical industry, by 11 per cent; and to industry in general by 12.5 per cent.

Bush could attend Taba signing next week

Mubarak, Peres summit may take place within 10 days

**By BENNY MORRIS
Post Diplomatic Correspondent**

Egypt's President Hosni Mubarak may be planning a summit meeting with Premier Shimon Peres within the next 10 days. Sources in Jerusalem last night said that Mubarak, Peres and visiting U.S. Vice President George Bush might all attend the signing of the Taba *compromis* in Cairo some time next week.

Ministers leaving yesterday's cabinet meeting, having heard Peres's briefing on his meetings with Morocco's King Hassan, said that Peres was now looking to Egypt to provide the next stage in the peace process.

Talk of an impending summit was fuelled by the news of the expected arrival here last night of Anis Mansour, former editor of the Egyptian

weekly *October*, with a message for Peres from Mubarak. Mansour will see Peres today.

The Jerusalem sources believed that last week's two days of talks at Ifrane may have provided the vital push towards a Peres-Mubarak summit.

Egypt's charge d'affaires in Israel, Mohammed Bassiouny, yesterday brought a message from Peres to Mubarak concerning the talks in Morocco. Bassiouny, who met with Peres on Friday, flew to Cairo on Saturday for talks with Egypt's Foreign Minister Esmat Abdel-Meguid. He was due to depart for Israel last night.

Mubarak yesterday reiterated his praise for the Hassan-Peres meetings.

"Egypt supports any initiative, and I have repeatedly said that we support any step which may lead to a

comprehensive settlement for the (Palestinian cause) and bring peace to the region," Mubarak was quoted by the Middle East News Agency as saying.

Mubarak made a pointed reference last night to the imminent resolution to the Taba talks, saying he would return an ambassador to Tel Aviv as soon as an agreement on arbitration was reached.

Peres stressed to the cabinet yesterday that Mubarak's immediate positive reaction to news of the Morocco talks had been a considerable boost for Hassan.

Israeli-Egyptian negotiations over the Taba *compromis* are to resume tomorrow in Eilat, with the Egyptian representatives expected in Israel tonight, sources said in Jerusalem.

Observers in Jerusalem attributed the unexpected "speeding up like

mad" of the Taba negotiations to the desire by either Egypt, or U.S. officials, or both, to complete and sign the *compromis* before Bush completes his visit to the region in 10 days time.

Israeli officials had no idea what proposals the Egyptian team or U.S. mediator Abraham Sofaer, the State Department's legal adviser, would be coming with.

One proposal to save time was that, instead of the planned marking out on the ground by two teams of surveyors and geographers of the two countries' contradictory claims in the disputed area, the officials would simply write-in the "markers" on aerial photographs of the area. These aerial photographs would constitute the "annex" to the "question" in the *compromis*, setting out

(Continued on back page)

Cabinet briefed on conference in Morocco

King backs Israeli right to secure borders

**By BENNY MORRIS
Post Diplomatic Correspondent**

King Hassan implicitly supported Israel's right to exist within recognized and secure borders, and avoided broaching the prickly question of Jerusalem, Premier Peres told the cabinet yesterday in a report on his meetings at Ifrane.

Hassan told Peres that "only fools" could fail to see where the Middle East was moving, given the surfeit of modern weaponry pouring into the region. But, he said, the combination of Arab oil and Jewish brains could lead the region to a period of "flowering."

Peres today is to address the Knesset on his talks with Hassan. He is not expected to reveal anything new or to make new proposals, despite the increased support within the Alignment for a renewed debate on

allowing the PLO to join the peace process (on the basis of the "Yariv-Shem-Tov formula" - willingness to negotiate with any Palestinians who recognize Israel and renounce terrorism) and on the Palestinian demand for self-determination.

Almost all ministers congratulated Peres on the Ifrane summit and hailed it as a milestone on the road to peace. However, Minister-without-Portfolio Moshe Arens, while lauding the meeting, noted that there is no government decision concerning the non-annexation of the administered territories in the period before peace negotiations. Peres, in the 10-point working paper he left with Hassan, said that Israel would undertake not to annex the territories "before and during peace negotiations." Arens described this formulation as going far beyond the

agreed policy guidelines (*kavei hayesod*) of the national unity government.

Transport Minister Haim Corfu, while also praising the visit, was displeased that the joint Israeli-Moroccan communiqué referred only to the "Fez Plan" and not to an Israeli peace plan as well. (The 1982 Fez Plan implied recognition of Israel while calling for Israeli withdrawal to pre-1967 lines and the creation of an independent Palestinian state.)

Industry Minister Ariel Sharon also commented on this "lack of balance." Economics Minister Gad Ya'acobi asked whether there were any concrete plans for a follow-up to the visit.

Tourism Minister Avraham Shafir said that the summit was tantamount to *de facto* recognition of Israel, and

that one should look at the "half-full" rather than the "half-empty" cup.

Religious Affairs Minister Yosef Burg said that the visit marked "an important change in the (political) climate in the region."

Communications Minister Amnon Rubinstein, while supporting the exploitation of "every opening" to peace, asked whether Peres impressed upon his hosts that "even the moderates in Israel" find the Fez Plan unacceptable.

Peres responded by saying that the visit had achieved no results on the bilateral (Israeli-Moroccan) plane, apart from being an important event in itself. The prime minister said that his commitment to the matter of non-annexation "stemmed from" the government's policy guidelines.

(Continued on Page 2, Col. 4)

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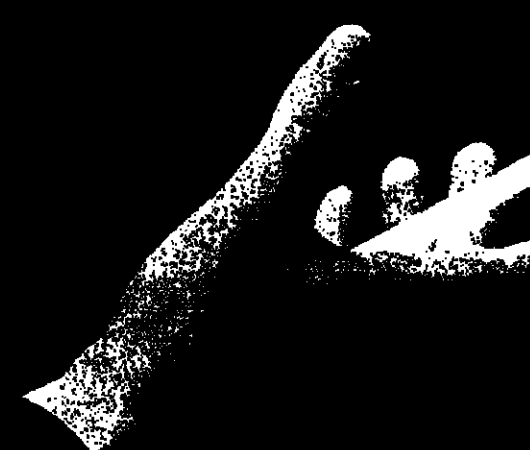


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FRANKFURT	14	17	22	Clear
GENEVA	15	17	22	Clear
HELSINKI	18	14	23	Clear
HONG KONG	27	21	31	Clear
JERUSALEM	23	17	31	Clear
LONDON	13	15	23	Cloudy
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MONTREAL	16	14	26	Cloudy
NEW YORK	22	12	32	Clear
OSLO	13	16	22	Cloudy
PARIS	19	16	28	Cloudy
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STOCKHOLM	19	16	28	Clear
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	Humidity	Min-Max	Max
Jerusalem	30	24-33	34
Golan	23	18-34	35
Nabariya	73	21-31	31
Tiberias	21	24-33	34
Haifa Port			
Tiberias	42	23-36	37
Nazareth		21-	34
Alula	38	20-36	36
Shimon	31	23-35	35
Tel Aviv	85	19-31	32
B-G Airport	50	21-33	34
Jericho	22	24-41	42
Gaza	73	25-30	31
Beer Sheva	14	19-38	39
Eilat	10	28-43	43

Shamir on autonomy

Vice Premier Yitzhak Shamir is prepared to take the risk of the establishment of a Palestinian state in the implementation of an autonomy plan, Shamir told the *Montreal* magazine.

Asked if he favoured autonomy for the Palestinians, Shamir said, "Certainly."

Asked if an autonomy plan was likely to lead to a Palestinian state, the vice premier said, "One must be careful that autonomy does not lead to the setting up of a Palestinian state, but that's a risk one has to take. The international and regional realities necessitate it."

Israeli Moslems leave for Mecca

By DAVID RUDGE
Jerusalem Post Reporter

Some 2,750 Israeli Arabs, a third more than last year, left Israel yesterday on the first stage of their 1,000km. overland journey to Mecca.

Visiting Mecca is one of the five most important precepts in the Moslem faith. The pilgrims, who will be joined by other Arabs from the territories, will travel to Saudi Arabia via Jordan.

In terms of a tacit agreement between Israel, Jordan and East Jerusalem Moslem leaders, the pilgrims will use Jordanian documents and travel in buses provided by the Jordanian authorities.

They will stay in Mecca and Medina, the two holiest Moslem cities, for a month.

The pilgrims, all over 35 years of age, have been warned not to make contact with PLO representatives. Israeli authorities are, however, allowing them to visit relatives in Amman on their return journey.

This is the eighth year that Saudi authorities have agreed to permit Israeli Moslems to make the pilgrimage to Mecca.

STUDENTS. - More than 10,000 students at Bangladesh's nine medical colleges boycotted classes yesterday to demand guaranteed post-graduation jobs and more funding for government health services.

HOME NEWS

NIS 11m. more for Arab councils

By MENACHEM SHALEV
For The Jerusalem Post

Arab local councils will receive an additional development budget of NIS 11 million during the current fiscal year, in what Interior Minister Yitzhak Peretz termed "a policy of preferring the Arab sector." Peretz announced this after meeting with Arab council leaders on Friday.

Arab councils, which have been demanding an increase in funds to equal those accorded Jewish councils, held a 14-day strike at the beginning of the month.

A source in Minister without Portfolio Ezer Weizman's office, meanwhile, told *The Jerusalem Post* last

night that "there has been a definite improvement in the government's policy. For the first time there is a constructive attitude towards bridging the gap between Arab and Jewish councils."

The source added that Prime Minister Peretz instructed the Treasury and the Interior Ministry a few months ago to bridge the gap between Jewish and Arab councils "within three to five years." He said that currently the Arabs receive NIS 1 for every NIS 3 given to Jewish councils.

The additional budget, which has been cleared for immediate use, in-

cludes funds for 250 new council employees. An Interior Ministry statement issued on Saturday night said that the additional manpower is being approved "while Jewish councils have been forced to cut 4,000 jobs."

Ibrahim Nimr Hussein, the mayor of Shfaram and chairman of the national committee of Arab local councils, told *The Post* that "there is a change for the better in the government's attitude." He said that if a similar sum is added to the Arab councils' budget during each of the next four years, the gap between Arab and Jewish councils will in fact be bridged.

Arab-Jewish group financed by tycoon

By DAVID RUDGE
Jerusalem Post Reporter

American philanthropist Meshulam Riklis has established a \$1 million foundation to help the newly-formed Arab-Jewish association known as "Torch" (Abuka in Arabic).

The fund was established after a visit to the U.S. by Yosef Ginat, adviser on Arab affairs to Minister without Portfolio Ezer Weizman. Riklis, a former Israeli, heads the Rapid-American conglomerate.

Ginat, just returned from his 10-day tour, told *The Jerusalem Post* the association would help build community centres and sports facilities in

Arab towns and villages in the Galilee and other parts of Israel. This was one of the aims of the six-month-old association, he explained.

While in the U.S., Ginat spoke to leaders and members of the Jewish community about the Torch association and its objectives.

He also appeared on a Christian television station, and later received calls from people offering their help and support.

Ginat said the association comprises nine Israeli Arabs and nine Jews who, aside from himself as chairman, do not hold government positions. They are academicians or

community leaders, such as Shfaram mayor Ibrahim Nimr Hussein.

Other goals of the association are to improve Arab-Jewish relations, and to promote technological education in Arab schools.

Ginat said the West German government had promised to give Torch 750,000 marks a year for the next four years.

He noted that 60 per cent of Jewish children study technological subjects at school, compared to only 20 per cent in the Arab sector.

The money provided by the West German government would help to bridge the gap. They would make a start with projects at schools in Baka al-Gharbiya and Shfaram, he said.

Nissim to inner cabinet, Sharir to Justice Ministry

Jerusalem Post Reporter

The cabinet yesterday approved the cooption of Finance Minister Moshe Nissim to the inner cabinet in place of former justice minister Yitzhak Moda'i, who resigned a fortnight ago.

Nissim was coopted to ensure that the Likud would continue to have five ministers in the inner cabinet to match the Alignment's five. The step will also ensure that the Liberal wing of the Likud, formerly represented in the inner cabinet by Moda'i, will have the same representation as before.

The cabinet also approved the appointment of Tourism Minister Avraham Sharir as justice minister. Sharir will continue to hold the tourism portfolio as well.

Sharir's appointment to the second portfolio keeps the Justice Ministry in the Liberals' hands and prevents a squabble among Liberal minister-hopefuls.

If Moda'i is reappointed to the cabinet when Likud leader Yitzhak Shamir becomes prime minister in October, Nissim is expected to resign forthwith from the inner cabinet. Sharir would also give up the Justice Ministry should Moda'i go back to that ministry.

Liberal politicians are of two minds as to whether Moda'i should return to the Justice Ministry from which he resigned this month or to the Finance Ministry from which he resigned earlier in the year, in both

cases after confrontations with Prime Minister Peres.

So the possibility cannot be ruled out that Sharir would relinquish the justice portfolio to Nissim, who would give the finance portfolio back to Moda'i.

Sharir told reporters yesterday that until he studied the issues on the justice ministry's agenda in depth, and conferred with his senior officials, he would take no public stand on justice matters. In order to make sure that the Tourism Ministry did not suffer because he had taken on a second portfolio, Sharir said he would be ready to put in a longer day.

Sharir visited the Justice Ministry yesterday afternoon and met for the first time with top advisers in his office there. He received explanations of the structure of the ministry and the division of labour in it.

Justice Minister Avraham Sharir emphasized in an interview on Israel TV last night that he would consult with the ministry's professional team before making decisions.

"I am convinced I will get all the help and backing of the ministry's staff and I intend to listen to them, respect their advice, and take into consideration the delicate division of authority between the various departments, the attorney-general and the minister," he said, apparently in response to criticism that Moda'i had failed to consult with senior ministry officials.

No artificial insemination for a single

A single woman does not have a right to artificial insemination, even if her biological clock is running out, the High Court of Justice ruled yesterday.

The court rejected the petition of a Kfar Sava woman who asked that the Health Ministry be obliged to inseminate her artificially.

The 39-year-old woman stated in her petition that she was single "not of her own volition." She said several doctors had turned down requests to provide her with artificial insemination, telling her that the Health Ministry only permits such treatment for married women.

The petition asked that "the court see the petitioner's human hardship. She is 39 years old and has little time left to have children. She has no

other choice, being totally alone."

The petition also stated that "the right to motherhood belongs to a woman, not to the Health Ministry."

But a three-justice panel ruled that the ministry's rule against artificial insemination for single women was "reasonable." Therefore, the court said, there was no cause for it to intervene. (Itim)

Teller's kick ousts amateur robber

By YORAM GAZIT
For The Jerusalem Post

TEL AVIV. - A robber escaped with only NIS 1,000 after being kicked by a teller at the Ibn Gavirol branch of the Israel Discount Bank.

Eyewitnesses said the young robber, who appeared to be a tyro, arrived at the bank at about 9 a.m., and sat quietly on a bench. At about 11:30 a.m., the busiest time, he jumped over the counter and robbed a teller of NIS 1,000. He then moved on to the next teller and grabbed the money from her till, but it slipped from his hands.

When he got to the third teller, she kicked him. The amateur bankrobber fled.

KING BACKS

(Continued from Page One)

which laid down that during the tenure of the national unity government, there would be no change of the status quo without the agreement of both Labour and the Likud.

Arens interjected that Peres's undertaking was open-ended and did not limit itself to the years of the present government. Peres agreed that he was speaking, indeed, of the tenure of the current government, according to sources close to Arens.

In a unanimous vote following the discussion, at Deputy Prime Minister Yitzhak Navon's suggestion, the cabinet expressed "satisfaction with the meeting in Morocco (and supported) the continued efforts towards peace."

Peres read out the clauses of the two working papers he had left with Hassan. The main, 10-point paper was in the nature of a draft proposal for a joint communiqué.

Point one states that the two leaders had "met with the aim of examining possibilities and to exchange views" concerning the Middle East peace process. During the talks Hassan spoke of the Fez Plan as the agreed basis for Middle East peace among the Arab states. Peres commented on the various elements of the plan and posited his own positions.

Point two states that both sides "have agreed to do, and as quickly as possible, all in their power" to avoid a further "tragedy" (war) in the region.

Point three states that both sides "have agreed to the principle of a solution to the Palestinian problem in all its aspects and that the only solution is to be sought in political and peaceful ways."

Point four states that Peres would present to his cabinet colleagues Hassan's views.

Point five states that Peres stressed that the "obstacle" to progress towards peace "does not lie in the positions of the sides, which do not appear unbridgeable, but in the lack of readiness to open discussions and negotiations..."

Point six states that Peres informed the king that until peace negotiations begin, and during the negotiations, Israel would not annex the territories.

Point seven states that Israel is willing to negotiate with "authentic Palestinian representatives" who are peace-loving and reject terrorism and with Arab states. Such a negotiation could be undertaken "in an international context."

Point eight states that Israel would continue to safeguard freedom of worship at the holy sites.

Point nine states that Peres, upon his return to Israel, would "examine the possibility of meeting authentic Palestinian representatives in order to open a real dialogue" with an eye to reaching a settlement which would take into account "Palestinian aspirations" and "Israel's security."

Point 10 states that both leaders agreed about the dangers the continuing conflict posed to the states of the region.

In the other working paper, Peres proposed that the countries of the Middle East declare a one-year cessation of hostilities to enable negotiations towards peace to begin. The negotiations would take place within an "international forum" and on the basis of UN Security Council resolutions 242 and 338. The Palestinians would be represented by delegates from the territories, of the Palestinians' own choosing, and by Palestinians from outside the territories acceptable to all parties.

At the cabinet meeting, Peres revealed that initially the summit was to have taken place under the aegis of President François Mitterrand in France. Later, it was scheduled for Washington, on July 22, during Hassan's visit to the U.S. Israel agreed to both venues. But Hassan, in the end, ruled that the meeting would take place in Morocco.

At the talks, Hassan stressed that more than a million young Palestinians were growing up under Israeli rule, without a flag, without a country, for whom terrorism out of frustration was the only outlet for expression of their nationalist aspirations.



These two cars collided yesterday morning on the corner of Allenby and Hayarkon streets in Tel Aviv, leaving the taxi driver and three passengers in the private car injured. (IPFA)

Five West Bankers placed under 6-month town arrest

By JOEL GREENBERG
Jerusalem Post Reporter

Five West Bank Palestinians were placed under town arrest yesterday in the latest of a series of recent measures to limit the movement of suspected activists in the area.

The five have been confined to their home towns and villages for six months, and must register regularly with local police. They were identified as Yusef Ju'beh, a journalist from El-Bireh, Abdellatif Abu Bakr, a pharmacist from Jenin, Hani A-Nassar, a shopkeeper from Jenin, and Walid Talalweh and Mussadaq Tanuri from villages near Jenin.

Ju'beh worked at *Al-Quds* newspaper and later at *A-Darb* newspaper, which was banned over a year ago.

In the last week, eight town arrest orders have been issued in the West Bank. On Sunday the town arrest of Anabta mayor Wahid Hamdallah was extended for another six months. Hamdallah has been placed under town arrest numerous times since 1982, according to Palestinian sources.

Security sources said the timing of the recent rash of arrests should not be attributed to a policy decision, but rather to bureaucratic procedures.

Mormons ired at 'malicious' reports of more land buying

By MENACHEM SHALEV
For The Jerusalem Post

As Religious Affairs Minister Yosef Burg prepares to issue his final recommendations concerning the Mormon study centre in Jerusalem, the Mormons themselves are outraged at what they call "malicious and fabricated" reports that they are trying to buy further tracts of land on Mt. Scopus.

Dr. Burg told *The Jerusalem Post* last night that he will distribute his final recommendations tomorrow to members of the special committee dealing with the controversial centre. "I'm sure one of the ministers will immediately leak it to the press," he said, "so everyone will be able to read about it."

Burg said the final meeting of the committee, originally scheduled for today, would be postponed "since I suddenly received a cable from In-

terior Minister Yitzhak Peretz informing me that he was on vacation."

Burg confirmed having received a phone call last week telling him of alleged attempts by the Mormons to buy 26 additional dunams of land on Mt. Scopus. However, he denied receiving any documents or initiating an investigation into the matter.

The allegations, apparently spread by religious elements objecting to the Mormon centre - and reported by the daily *Ha'aretz* and Agudat Yisrael's *Hamodia*, raised a storm among Brigham Young University officials here.

The officials, attending a performance of the university's choir and dance troupe at Kibbutz Ramat Rahel last night, vehemently denied the report which they called "blatant lies."

Labour taking fresh look at Palestinian issue

By ROY ISACOVITZ
Jerusalem Post Reporter

TEL AVIV. - The drive in the Labour Party for a reassessment of the party's positions on the Palestinian question gained momentum yesterday when the Mashov ideological grouping decided to raise the question of Palestinian self-determination at the next meeting of the central committee.

The subject could be discussed next week when the central committee holds its first meeting since the recent party convention. If not, Mashov's members do not believe that they will have much difficulty in raising the 100 signatures needed for a special central committee meeting.

Mashov is a grouping of mainly youthful party members with a moderately left bias. Its most prominent member is cabinet secretary Yossi Beilin. By contrast, another ideological group, Dor Hahemshach, yesterday announced its opposition to a reassessment of the party's position.

More arrests expected in soldier's murder

By JOEL GREENBERG
Jerusalem Post Reporter

Security forces are pressing on with their investigation of last year's kidnapping-murder of IDF soldier Akiva She'afel. Ten suspects in the case were recently arrested, and further arrests are expected.

The suspects in the killing are from Arab villages on both sides of the Green Line - Kafr Kasim in the Triangle, and the villages of Zawiya and Kharis near Nabulus.

The group, reportedly belonging to Fatah, is also suspected of shooting at an Israeli bus on the Trans-Samaria road last October.

Akiva She'afel was murdered in April 1985 after being kidnapped from a soldiers' hitch hiking station. His body was found near the Beit Arye settlement in the West Bank.

A million more

Egyptians in 250 days

CAIRO (AFP). - Egypt's population grew by one million people in 250 days, reaching 50 m. on July 1, according to official figures published yesterday.

The figures established by the Egyptian Statistics Agency gave the country's birth rate at about three babies per minute. They also showed slightly more males than females, the daily *Al-Ahram* reported.

Egyptians take course in irrigation

Post Middle East Staff

A high-level Egyptian agricultural delegation arrived on Friday for a three-week course on irrigation run by the Ministry of Agriculture. It was announced yesterday.

The 19-man team includes senior agricultural engineers and technicians, and is the largest top-ranking delegation to visit Israel since relations with Egypt cooled in 1982.

Police: Kalderson is still alive

By YORAM GAZIT
TEL AVIV. - Roni Kalderson, a former member of Israel's national soccer team, was not murdered as alleged last Friday, but is living abroad under a false identity, say police sources.

The sources say that the allegation of murder was made by Tel Aviv District Court Judge Arieh Ben-Ari, who reportedly stated during the trial of a drug dealer that Kalderson had been murdered by members of the underworld, who buried his body in the sand dunes of Rishon LeZion.

Senior police officers expressed surprise at this information. Kalderson, 34, married and the father of two, has been missing since he failed to return to the Ma'asayun lockup after being let out for a four-day vacation. According to the police, Kalderson escaped to a Latin American country with which Israel does not have an extradition agreement.

Kalderson was extradited to Israel from the U.S. after the police identified his role in a drug dealers' network. He was sentenced to seven years' imprisonment after admitting to the charges.

Third theft at Ramat Gan diamond plant

By YORAM GAZIT
TEL AVIV. - For the third time in less than a year a diamond-polishing plant on Ramat Gan's Rehov Friedman has been robbed.

In the latest burglary, \$120,000 worth of diamonds were stolen over the weekend. The burglars broke into the plant, owned by Abraham Neumann, 40, through the roof of a nearby welding workshop and drilled into the safe where the diamonds were kept.

In August 1985, a man entered the plant, drew a pistol and stole about \$120,000 worth of diamonds. Last February, two armed masked men stole about \$150,000 of diamonds.

Following this heist, Neumann's partner Avigdor Minzari, who was hit during the robbery, left the business.



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مكتبة الراب

India shaken by worst riots in years

NEW DELHI (Reuters). — The government yesterday called out the army and placed hundreds of citizens under arrest following weekend unrest throughout the country involving Hindus, Sikhs, Muslims and Gurkhas. The violence has left at least 28 persons dead.

Police arrested 800 people and put one-tenth of New Delhi under curfew to end communal riots in the Indian capital in which six people were killed and 60 wounded.

The riots, which started Friday morning with clashes between Sikhs and Hindus, spread briefly Saturday night to the Muslim quarter in the central walled city area of the capital.

By mid-morning, army patrols and strict enforcement of curfew ended the worst violence in Delhi since prime minister Indira Gandhi's assassination 21 months ago.

The riots were set off by the killing in Punjab on Friday of 14 bus passen-

gers, all Hindus except one, by Sikh extremists campaigning for a separate nation.

Soldiers in full battle gear and backed by Jeeps mounted with machineguns were deployed in seven of the capital's 70 police districts.

Prime Minister Rajiv Gandhi, who took personal control of anti-riot measures in the capital, sent warnings to all other Indian states to be on guard against Sikh-Hindu clashes.

After months of almost unabated violence against Hindus in the Sikh-dominated Punjab, security authorities have long feared a backlash by India's overwhelming majority Hindus against Sikhs in New Delhi and other parts of the country.

The army was ordered into the eastern Indian town of Kalimpong yesterday after police shot dead eight Gurkhas and wounded five in riots sparked by a campaign for autonomy, the Press Trust of India said.

The news agency said the police opened fire in the tourist resort to break up supporters of the militant Gurkha National Liberation Front who attacked police and paramilitary troops.

It said 15 policemen were hurt in the violence in Kalimpong, a town in West Bengal state's Darjeeling district.

PTI said about 800 paramilitary troops were rushed to the region, which borders Nepal, on Saturday to back local police against Gurkha protests.

Yesterday's violence flared two months after police shot five Gurkha rioters dead in the nearby town of Kurseong, sparking protest strikes that stranded thousands of tourists.

Gurkha militants, who seek official status for their Nepali language and equal job opportunities with Bengalis, want an autonomous territory called Gurkhaland carved out of Marxist-ruled West Bengal state.

Blacks have tough words for Sir Geoffrey in S. Africa

PRETORIA. — British Foreign Secretary Sir Geoffrey Howe was warned yesterday that British and U.S. policy towards South Africa risks permanently alienating a generation of local black leaders.

Howe, on the fifth day of his seven-day peace mission to South Africa on behalf of the European Economic Community, met for over an hour with three civil-rights workers.

They said afterwards they had warned him that Britain and the U.S. had misunderstood the government's reform efforts, and by mistakenly welcoming them had risked alienating potential black leaders from western values.

Howe meanwhile stepped up pressure on the South African government for reform, indicating that only Pretoria could break the deadlock in peace efforts.

As Howe prepared for another meeting yesterday with Foreign Minister P. W. Botha, a senior official in his party told reporters:

"It is clear to Sir Geoffrey now that if the logjam is to be broken, the steps have got to come from the South African government. In Sir

Geoffrey's view, it is not his mission that is in trouble. It is South Africa society that needs salvaging."

In other developments, the South African authorities said that five people, including two "much sought-after terrorists" of the outlawed African National Congress, died during incidents of political violence on Saturday.

The latest deaths bring to at least 182 the number of people killed in black areas since the government imposed a national state of emergency on June 12.

The latest dead included ANC guerrillas reportedly connected to 17 incidents of urban terror — a man and his woman companion who was dressed in men's clothing, the Bureau of Information said.

They died during a fierce gun battle when police trapped them in their arms-laden vehicle in Katlehong township east of Johannesburg.

The other deaths took place in Soweto, where three black men were burned to death. Two black men have been arrested in connection with one of the killings, the bureau said. (AFP, Reuters)

OAS parley hits West for Pretoria ties

ADDIS ABABA (AFP). — The leading western allies have been firmly put in the dock again by a meeting here of African foreign ministers who want a new UN Security Council meeting to press for all-out sanctions against Pretoria.

In a resolution adopted during an all-night session in the Ethiopian capital ahead of an Organization of African Unity summit opening here today, the British government was the principal accused for its continued opposition to such sanctions.

The ministers "vehemently condemned" Britain for its "relentless campaign" against comprehensive and mandatory sanctions, and called on "freedom-loving countries" to pressure it by measures including severance of diplomatic relations.

The U.S. also came under fire for the second time during the week-long meeting for its opposition to sanctions.

The 50 African states represented condemned the veto power in the Security Council to block sanctions, which the U.S. and Britain exercised earlier this year.

They also "strongly condemned" Britain, France, Israel, the U.S. and West Germany for their continued economic and nuclear cooperation with the South African regime.

The African foreign ministers called on western countries, particularly the U.S., Britain and West Germany, to end their cooperation with Pretoria in military and economic fields.

Swiss unfazed by man in handcuffs

LAUSANNE, Switzerland (AP). — A handcuffed man ate in a restaurant where a waitress cut up his meat, tried on shoes at a store with the help of a saleswoman and wandered through this city for 3½ hours before someone turned him in, a newspaper reported yesterday.

The man was a reporter who did the stunt to support his theory that most Swiss are unwilling to report offenders to the police, the German-language newspaper *Blick* reported.

It showed pictures of Jean-Louis Bernier, wearing handcuffs, walking down a crowded street and standing up in a shoe store while a saleswoman put shoes on his feet.

The article said no one questioned Bernier, not even the waitress who cut up his meat. It was 3½ hours before a plumber finally called the police after Bernier asked if he could cut the handcuffs loose.

Violent crime up again after decline in U.S.

WASHINGTON (Reuters). — Crime soared in the U.S. last year, led by a sharp rise in murder, rape and other violent crimes after three years of decline, the Federal Bureau of Investigation said yesterday.

In an annual crime statistics report, the law enforcement agency said the number of crimes rose five per cent over 1984 and 10 per cent over 1976.



A Filipino (head bowed) being beaten to death in a Manila park yesterday by supporters of deposed president Ferdinand Marcos. The young man was slain because he was wearing a yellow shirt, the identifying colour used by President Corazon Aquino during her campaign earlier this year to unseat Marcos. (AFP telephoto)

Man beaten to death as pro-Marcos rally routed

MANILA (AP). — Riot police fired tear-gas and guns to disperse about 500 supporters of former president Ferdinand Marcos from a downtown park yesterday as the protesters held a rally in the guise of an "amateur singing contest."

Police said one man was beaten to death by followers of the deposed president. They said five people were detained for refusing to disperse, including a former model picked up while chanting the name of the deposed ruler as she jogged across the park.

Police were seen beating at least two people with truncheons as they chased the loyalists out of the sprawling Rizal Park.

President Corazon Aquino banned large loyalist gatherings after Marcos's followers, led by former foreign minister Arturo Tolentino and backed by about 300 rebellious soldiers, occupied the luxurious Manila Hotel near the park in a 38-hour mini-revolt July 6.

The loyalists, prevented by police from assembling at the park for the past two weekends, tried to beat the

ban yesterday by organizing what they claimed was a singing contest.

But police drove them away, firing tear gas several times, scattering not only the Marcos die-hards but hundreds of other people who had come to stroll in the park.

After the troops withdrew, a gang described by police as Marcos loyalists beat up a male bystander they said supported Aquino. They chased him across the park and beat him until he was unconscious.

News photographers hauled the bleeding man into a jeep. But he was dead on arrival in a hospital, police said.

Eyewitnesses said the man was apparently deemed an Aquino supporter because he was wearing yellow, her theme colour in the presidential election battle against Marcos earlier this year.

Elsewhere in the park, another group of Marcos supporters heckled a group of Chinese tourists wearing yellow sun visors. Frightened, some of the tourists threw away their caps and moved away. The hecklers grabbed the caps and burned them.

MIDEAST NEWS

Iran warns Gulf supporters of Iraq may be attacked

TEHERAN (Reuters). — Iran has threatened to attack Saudi Arabia, Kuwait or any other Gulf country which gives Iraq money to buy arms to hit Iranian oil facilities.

The Iranian warning, the strongest and most direct so far to Iraq's war allies in the region, was contained in an article by Parliament Speaker Ali Akbar Hashemi Rafsanjani published in the monthly *Fasdar-e-Islam* yesterday.

"We hit their ships now, but if necessary we will do to countries supporting (Iraqi President) Saddam (Hussein) what we did to Kirkuk,"

Rafsanjani said. He was referring to two ground-to-ground missiles Iran fired into the northern Iraqi oil town of Kirkuk last month.

Saudi Arabia and Kuwait along with Bahrain, Oman, Qatar and the United Arab Emirates form the Gulf Cooperation Council which generally has supported Iraq in the war.

On the warfront, the national news agency Irna said that Iraqi warplanes yesterday bombed industrial targets and a poor area on the outskirts of Arak, killing an unknown number of civilians.

Hussein, Assad end fourth summit

Post Middle East Staff and Agencies
DAMASCUS. — Jordan's King Hussein returned to Amman yesterday following two days of closed door talks with Syria's Hafez Assad, devoted to last week's controversial Israeli-Moroccan summit and efforts to patch up inter-Arab rifts.

It was the fourth summit between Hussein and Assad since their reconciliation last December. Hussein has been seeking to bridge the gap between Iraq and Syria, ruled by rival wings of the Ba'th Socialist Party. He visited Baghdad last weekend.

Jordanian and Syrian television both reported last night that the talks centred on "recent developments in the Arab arena" and Hussein's efforts to "clear the atmosphere in the Arab world."

Diplomatic sources in Damascus said that the two leaders conferred for over five hours in their third round of talks yesterday.

Jordan's Prime Minister Zaid Rifai and his Syrian counterpart, Abdel-Raouf al-Kasm, discussed ways to boost economic and trade links between the two states.

Abu Musa group urges end to PLO factional dissent

Post Middle East Staff and Agencies
The pro-Syrian Abu Musa group is urging all Palestinian groups to open a dialogue aimed at ending factional dissent, Radio Monte Carlo reported yesterday.

The group set as conditions for the dialogue that all participants sever relations with Egypt and Morocco, and reject UN Security Council Resolution 242 and the 1985 Jordanian-PLO cooperation agreement.

The Abu Musa group's statement, issued in Sidon, asserted that the Iran summit between Prime Minister Shimon Peres and Morocco's King Hassan would not have

taken place if Palestinian groups had closed ranks.

The statement was unusual in that it did not contain an attack against PLO leader Yasser Arafat, the radio report noted.

Meanwhile, Fatah, the main branch of the PLO, finished a two week central committee session in Tunis yesterday without taking a decision on Jordan's closure of 25 PLO offices and expulsion of a senior PLO official.

A Fatah communiqué said the committee had for the moment "decided to closely follow the question" of the Jordanian government's action.

FOREIGN NEWS IN BRIEF

Murders, bribery charges mar Thai elections

BANGKOK (Reuters). — Five murders, scattered border shelling and charges of vote-buying yesterday marred otherwise peaceful general elections aimed at building a new coalition for Thailand's Prime Minister Prem Tinsulanonda.

Polling was brisk in rural areas but sluggish in Bangkok where opinion

polls say voters are restless for a change after six years of the former general's rule.

Prem, 65, has not run for office but is expected to return through a constitutional loophole allowing King Bhumipol Adulyadej to appoint an unelected premier. Poll results were not expected until late last night.

Liberia lifts ban on main newspaper

MONROVIA (AFP). — Liberian President Samuel Doe on Saturday lifted the 18-month ban on the country's main independent newspaper, *The Daily Observer*, "in the spirit of national unity and reconciliation."

In a broadcast marking Liberia's 139th independence anniversary, Doe also called on all Liberians in exile, including former vice president Bennie Warner and chief of staff Henry Kiboi Johnson, to return home and contribute to the development of the country. Both men have lived in exile since the 1980 coup which brought Doe to power.

The president said it was not his government's intention to suppress press freedom, but complained that many "unfair" articles had been written about Liberia in the past.

Speaking at a reception Saturday night, Doe invited all former government officials who fled the country during the 1980 military coup which brought him to power to return and contribute to Liberia's development. He promised that all farms and land of former government officials confiscated after the coup will be returned to their previous owners.

3 more children dead in Italian landslide

SENISE, Italy (Reuters). — The death toll in a landslide that destroyed two houses in this southern Italian village rose to eight Saturday night when rescue workers recovered the body of a nine-year-old girl.

Her brother and sister had earlier been found dead. Five members of another family also died when tons of sand and stones slid down a hillside on the outskirts of Senise just before dawn Saturday.

Mubarak opens Cairo's new air terminal

CAIRO (Reuters). — President Hosni Mubarak yesterday inaugurated a new \$170 million air terminal at Cairo International Airport, designed on the lines of Charles de Gaulle Airport in Paris.

The new terminal can handle some five million passengers a year and will serve 32 international carriers.

The current terminal, built to handle six million passengers, will now be used for domestic flights.

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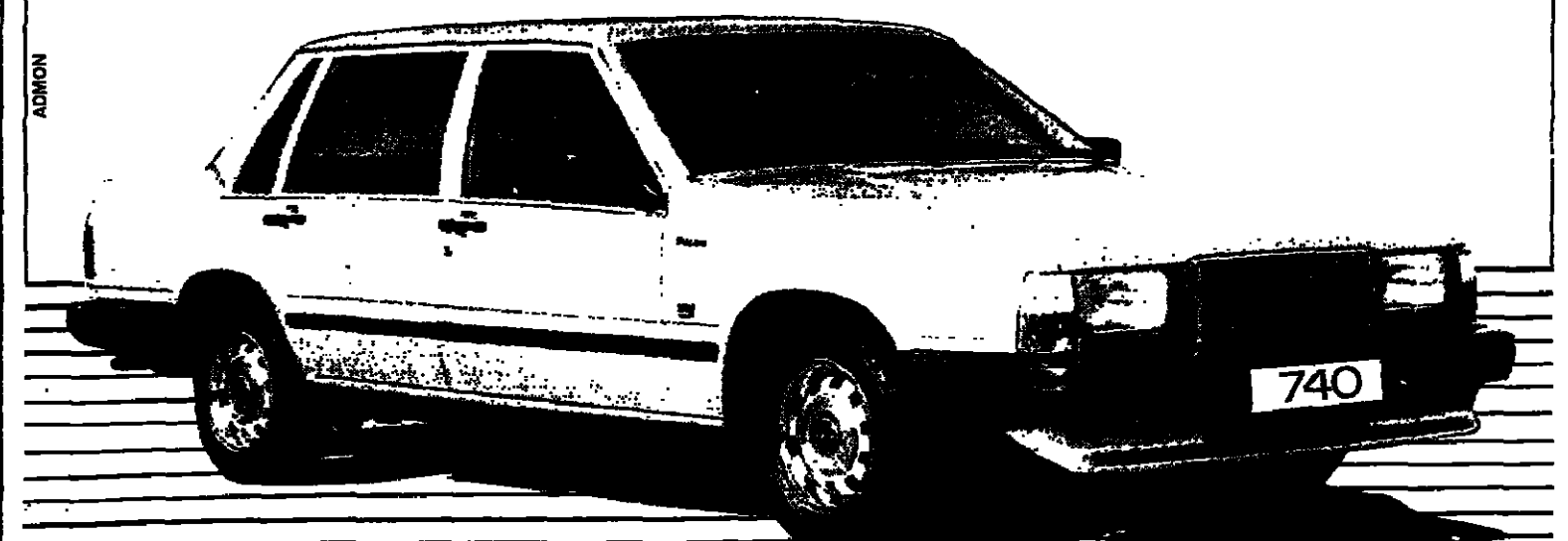
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VOLVO

'Enter and Enjoy Yourself'

Bordello found in the Holy Land

By ABRAHAM RABINOVICH
Jerusalem Post Reporter

What may be the first bordello ever uncovered in the Holy Land — a Byzantine structure attached to a bath house — has been exposed in excavations in Ashkelon.

A Greek inscription on the wall of the structure reading "Enter and Enjoy Yourself" is the reason for the bordello identification, according to archaeologist Prof. Lawrence Stager.

He said in an interview yesterday that an expert on the period from the Antiquities Department had noted that a similar Greek inscription had been found in the remains of a Byzantine building identified as a bordello at Ephesus in western Turkey.

The Ashkelon inscription is on the wall of a room containing a small bath that had been surrounded by heart-shaped columns. The shape of the columns, however, is apparently not suggestive of the structure's function, since similar columns have been found in the 2,000-year-old synagogue at Gamla on the Golan Heights.

Constructed in the 5th century CE, the presumed bordello is attached to a monumental bath house built the previous century.

Fifth century Ashkelon was a vigorous port city with a mixed population of pagans, Christians and Jews. Pottery has been found in the city of this period from Spain, North Africa, the Aegean and virtually every other part of the Mediterranean, indicating a lively trade and the presence of numerous sailors.

Stager said that a principal export from Ashkelon was probably wine from the vineyards between Gaza and Ashkelon.

A major find from this season's dig, jointly sponsored by the University of Chicago and Harvard, is an intact jar from the 11th century BCE — the period of Samson — that is, according to Stager, the first direct evidence of cultural exchange between the Israelites and Philistines of this period.

"I'm not saying this is something that Samson gave Delilah," Stager cautioned.

The artifact found in the Philistine city is similar to what is known in the professional jargon as a "colored-rim stone jar" from the hill country occupied by the early Israelites. The jar is to undergo tests in a Hebrew University laboratory to determine from what part of the country its material came.

The excavation in the Ashkelon National Park is one of the largest ever carried out in the country. Stager has just completed his second digging season — a long one of three months — with 100 volunteers and laborers, and hopes to continue at Ashkelon for eight more years.

The archaeologists found that during the period when Jerusalem lay in ruins after the Babylonian destruction in the 6th century BCE, Ashkelon was a thriving city ruled by a Phoenician governor from Tyre under Persian suzerainty.

An abundance of Greek pottery from the 6th-3rd centuries BCE suggests the presence of a Greek mercantile community as an enclave within the city, said Stager. He believes the city's population also included Phoenicians, the descendants of the Philistines, and probably Jews.

One of the most intriguing finds from this period is a small dog cemetery. In a 30-square-metre area, the archaeologists found more than 30 dogs and puppies buried in an apparently ceremonial manner in separate shallow graves.

"We don't know what to make of it," said Stager. "There's no parallel we're aware of."

It was more likely that Persians or Greeks were responsible for the burials than Semites for whom the term dog was a pejorative, suggested Stager.

Leap predicted in South Africa aliya

By CHARLES HOFFMAN
Jerusalem Post Reporter

About 600 immigrants are expected from South Africa this year, a 300 per cent increase over 1985, according to Sid Shapiro, director of the South African Zionist Federation in Israel (Tel Aviv). Next year, he said, even more immigrants are expected.

Nevertheless, these figures are considerably less than the forecast of 2,500 a year that was included in a master-plan for South African aliya submitted to the government and the Jewish Agency last September.

The figures were presented at a public meeting last week in Jerusalem held by Tel Aviv to report on the campaign to increase aliya from South Africa.

Shapiro said that since January, files had been opened at the aliya offices in South Africa for 124 families and 230 singles, or about 700 people. Between 100 and 300 people are attending monthly meetings of the Aliya Movement this year, compared to 30 to 40 last year. About 360 prospective immigrants are expected to come on pilot tours this year, a big increase over 1985.

There are some 200 families, he said, signed up for settlement projects in Kichav Yair, Manof, Alei Zahav, Kfar Hamaccabim, Kfar Hadar and Kiryat Nahliel.

Earlier this year a joint committee to plan aliya and absorption for South African Jews, who number about 110,000, was set up under the prime minister's auspices by Telfed, the Absorption Ministry and the Aliya Department of the Jewish Agency.

The chairman of this committee, Telfed leader Herzl Katz, noted that some progress had been made in creating special incentives for South Africans. But he said that the "jurisdictional struggles between the agency and the ministry are sometimes appalling. I haven't always succeeded in getting it across to them that aliya and absorption should not be matters of party politics."

Katz said that the government had removed the restrictions on the size of apartments that South African immigrants may buy with government-subsidized mortgages — even though this has upset immigrants from other countries who are still bound by these restrictions. He

said that a programme for small business loans up to \$30,000 for South African immigrants would also soon be announced.

As for customs, he added, "We haven't succeeded in resolving the absurdities that immigrants face there. We'll probably have to take these issues back to the prime minister."

Leon Charney, another member of the joint committee, said that despite the reputation South African Jewry had for being highly "Zionistic," the newspapers of the Zionist establishment reach only 10,000 people, or 4,000 homes. He also said that the image of Israel created by "Project Renewal, the Israel appeal and other shomeret [people seeking handouts] was of a place with crumbling housing and always in need of something."

He announced Telfed's plan to tackle both these problems with direct mail campaigns from Israel that would ultimately reach all 40,000 Jewish households in South Africa. Telfed plans to send out a brochure "showing a different Israel — a modern society where you have sports and culture and which is a

good place to live."

In a related matter, the director-general of the agency Aliya Department, David Levine, confirmed yesterday that Gush Emunim has requested department funding for short-term emissaries that it wants to send to South Africa to recruit for its settlements.

He said that this request has not been approved yet. But he added that "the department will take a positive view of such requests from Gush Emunim or any other organization that can show that it has a good potential for recruitment there and a good potential for absorption here."

He said that the department recently sent an ultra-Orthodox emissary, a Rabbi Bulman from Migdal Ha'emek, to recruit for his Kiryat Nahliel neighbourhood in the town. According to Telfed, this rabbi spoke to about 2,000 people in synagogues during his tour, and signed up some two dozen families for his community.

The department is also sending several former South Africans as short-term emissaries in the coming months.

Report on teenage suicide

Jerusalem Post Reporter

An expert committee appointed to examine the increase in suicides and suicide threats among juveniles has recommended to the Education Ministry that more psychologists and advisers be provided for secondary schools to help them cope with the problem.

The committee, headed by a Haifa University psychologist, yesterday submitted its preliminary report to the director-general of the Education Ministry.

According to the report, there was no accurate data to indicate the extent of juvenile suicide. A more intensive study of the subject was recommended.

Will remain in jail

Supreme Court Justice Aharon Barak rejected the request of Aharon (Ronni) Gila to be released from jail until the end of court proceedings on his appeal.

Gila was sentenced to a year's imprisonment for failing to warn Border Police Sapper Suleiman Hirbani when he was looking for a bomb placed by the Jewish underground outside the home of El-Bireh mayor Ibrahim Tawil. The bomb exploded and Hirbani was blinded.

Gila appealed both the severity of the sentence as well as being held in jail during the appeal proceedings.

Justice Barak said the appeal would be dealt with as quickly as possible. (Itim)

U.S. rabbis don't want Law of Return changed

By MOSHE KOHN
Jerusalem Post Reporter

The (Orthodox) Rabbinical Council of America "is not interested in changing the Law of Return" to specify that only halachic (Jewish legal) conversion is recognized by the State of Israel, RCA president Rabbi Milton Polin said yesterday.

"An elementary rule of politics," Polin told a news conference in Jerusalem, "is not to introduce legislation unless you are sure it is going to pass."

In general, said Polin and RCA vice-president Rabbi Max Schreier, the RCA supports last week's call by a group of local National Religious Party educators for a moratorium on legislation on religious matters.

The Orthodox leaders oppose the Mormon study centre on Mount Scopus, chiefly on the grounds that the Mormons' Jerusalem study periods will greatly enhance the work of missionary counterparts in the U.S. "But at this stage, the best thing we can do is try to intensify the Jewish education of Jews back in America," Polin and Schreier said.

The two men, both of whom lead congregations in Brooklyn, N.Y., and both of whom have children and

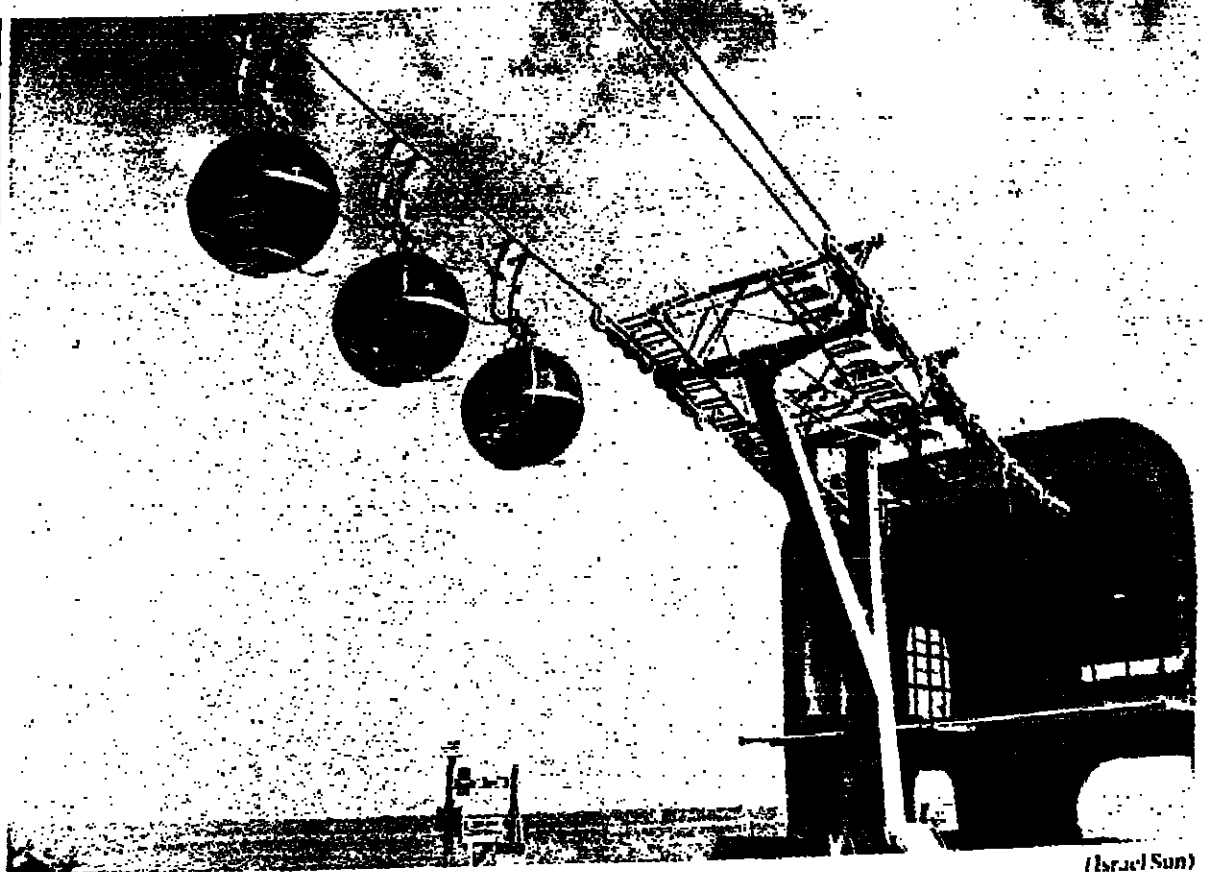
grandchildren in Israel, head a group that came here for the ceremony installing RCA's new officials.

The RCA, which claims to have about 10 per cent of its members living permanently in Israel, conducts a number of educational projects here. One is the 40-year-old Hadarom Yeshiva in Rehovot, which 24 years ago was the first hesder yeshiva (combining military training with religious studies).

Another is the 25-year-old Ahuzat Ya'acov Yeshiva vocational school in Gan Yavneh. Eight students in the first class of the school's aeronautical section just graduated. Several of them were immediately admitted to the Air Force with the rank of corporal, with the others going into special jobs in the Israel Aircraft Industries.

A third major RCA project here, a new one, is the training of Israeli rabbinical candidates for two-year postings abroad to get experience in the pastoral aspects of their calling. Ten students from the Sha'alvim Yeshiva are participating.

The RCA claims to have about 1,000 members, the overwhelming majority of them American-trained rabbis who are university graduates.



The Haifa cable car

On Saturday, the cable car rested

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — Last Saturday the cable cars at both ends of the scenic cableway at Stella Maris, above the cave of Elijah and in Bat Galim, business was brisk.

But the cable cars themselves were tightly anchored in their stations, observing the Sabbath. They started operating only late in the evening, after the conclusion of the Sabbath.

Yesterday Nazia Halabi, the Druze chairman of the company which bought the cableway from the city and has been operating it six days a week since April, told The Jerusalem Post that he did not know whether they would add Saturdays in future.

In fact, the owners, Schechtman Enterprises, had tried to get around the Sabbath ban by starting the cars on Saturday afternoons. This quickly aroused the opposition of the city's religious establishment, who got Poalei Agudat Yisrael MK Avraham Verdiger to ask Labour Minister Moshe Katsav to enforce the Sabbath law for the cableway.

Yesterday, Moshe Blitenthal, chairman of the Religious Front of the city council, told The Post that the

intervention had borne fruit and the ministry had warned the owners not to operate the cars on the Sabbath, or face prosecution.

Katsav sent Verdiger a copy of a warning sent to the owners by the Haifa representative of the ministry a fortnight ago, stating that they were forbidden by law (Working and Rest Hours Act) to employ workers on Sabbaths. Doing so would constitute a criminal offence which would result in prosecution. He also warned them that the law holds good for all hours of the Sabbath.

Blitenthal stressed that they objected to the opening of the cable cars on Saturdays too.

"But this is a complex matter. The mayor claims that the Saturday closing by-law exempts cafes and other eating places, and we have asked our legal adviser, currently on leave, to look into the legal aspect of the matter on his return. Then we shall decide on future action," he said.

Mayor Arie Gurel still argues that the cableway is to operate seven days a week, and so do the owners. But as the premier himself has ruled that the Sabbath operation would violate the religious status quo, it seems likely that the cable cars will rest on Saturdays, all day long.

Oil glut to hit Arab arms expansion

By BERNARD JOSEPHS
Jerusalem Post Reporter

The dramatic collapse of the world oil market provides a golden opportunity for Israel's military planners to reconsider defence strategy, an expert in the politics of oil said yesterday.

"We haven't had a chance like this since before the 1956 Sinai Campaign. Ever since then we have been running in order to stay in the same place," said Shmuel Meir, a specialist in the implications of oil on security policy at Tel Aviv University's Jaffe Centre for Strategic Studies.

According to a report he has just completed, Meir reckons the world oil glut will go on for at least another five years, with crushing consequences for the Arabs.

He forecasts that today's meeting of Opec in Geneva, where 13 members of the international oil cartel are gathered in a bid to halt the price slide will achieve nothing.

"In fact Opec is already dead. It has collapsed. There is no way it can control the price of oil any longer,"

Meir asserted.

The expert said the sharp fall in oil revenue to Saudi Arabia and the Gulf states had profound consequences for the Middle East arms race. The oil producers had been forced to slash grants and loans for arms purchases to the confrontation states.

He went on: "The deficit in the Saudi economy is now so severe that for the first time ever they have not published a budget. Up until 1981 they were getting about \$110 billion a year in oil revenues. Now they are getting about \$30b."

Because of figures like these, said Meir, the pinch was being felt, not just in the oil states, but also in countries like Jordan and Syria.

Syria received aid worth some \$900 million last year, which is about half what it received in 1981. And Jordan has seen its \$1.2b. package of assistance cut to \$500m.

This gives Israel's military chiefs precious breathing space, said Meir. "The arms race will slow down and we will have the chance for reflection."

"The combination of low oil prices, the Iran-Iraq war and, in the background, peace with Egypt, gives us the opportunity to consider our military doctrine for the future and to examine our strategy under less strained conditions than normally apply."

Meir said that this week's Opec meeting was doomed to failure for two main reasons. First, the organization's members are now in such a

financial bind that they cannot afford to choke off production to reduce the glut.

Second, even if they did come to such an agreement, it would be rendered meaningless by the actions of non-Opec oil nations like Britain and Norway.

"There is no chance of these countries cooperating. They need to sell oil. Even the Russians are ready to export as much as they can sell purely in their own interests."

Such a situation, Meir added, can only be good for Israel, not just politically and militarily, but economically as well. It will give the country the chance to redress its balance of payments situation.

Meir said that the current oil price of less than \$10 a barrel would probably rise gradually to between \$15 and \$20. "But even that is cheap oil," he added.

Energy Ministry sources said yesterday that they agreed with Meir's analysis of Opec's predicament.

Said an official: "We don't expect any changes from the Geneva meeting. Oil prices are dropping because there is no demand. At the same time countries like Mexico, Venezuela, and even the Saudis, are flooding the market."

"In addition, because of their war, both Iran and Iraq will sell to whomever will buy for whatever they will pay. Perhaps prices may rise a little in the winter, when demand increases. But it will be nothing dramatic."

ERRATUM This adv. appeared incorrectly, Fri., 25.7.86. We apologize for any inconvenience we may have caused.

this week at the israel museum jerusalem

EXHIBITIONS

Keef Hinnon — Includes Priestly Blessing: The Oldest Biblical Inscriptions ever found and other objects.

AMAN AND HIS LAND — THE MOSHE DAYAN COLLECTION (Goldman Schwartz Hall). Tickets available at Rococo, Tel Aviv, Kluim Jerusalem or at Museum Box Office.

Signals and Wonders — 50 years of Kol Yisrael — with live broadcasts Big and Small — Relative size in art and children's world (Ruth Yonah Wing).

Jewels of Children's Literature — celebrating the 10th anniversary of the Ben-Yitchek Award — outside Youth Wing library.

Joni Kantor: Photographs of Israel (Barbara & Isidore M. Cohen Gallery).

One Hundred Works on Paper from the Museum's Collection (Sperus Hall).

Israel Art — Bezalet period to present (Ayala Zacks Abramov Pavilion and Merzbacher Galleries).

Art in Context — Audio Visual program of development of Israel Art (Sperus Hall).

Indian Paintings from the Polsky Collection (Selma Fiodotto Gallery for Asian Art). Closes August 4.

"Nerot Mitzvah" — Contemporary Ideas for Light in Jewish ritual (Margulies Hall).

From the Depths of the Sea — Ancient cargoes from the Carmel Coast, Archaeological (Rockefeller) Museum.

Permanent exhibitions of Archaeology, Judea and Ethnic Art.

EVENTS

SPECIAL EVENTS

Tues. July 29 at 18.00. Light Classical and Israeli Hits with the Israel Police Band, Haiman Meyer Targem.

Tues. July 29 at 19.00. The Art of Moshe Gershuni, Gallery Talk by Monica Federovsky.

Tues. July 29 at 21.00 Kol Barana: Community Singing with Shlomo Shevit (at Ticho House).

Wed. July 30 at 15.00: GO FLY A KITE! National Kite-Flying Competition with prizes.

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Tuesdays at 11.00: Storytelling and play hour ages 4-6 with Biela Lipkin.

Wednesdays at 15.00 Picture and Book programs with puppets and songs (in English) ages 3-6.

Feldman Recycling Room open daily 11.00-17.00.

Tuesday, July 29 at 11.00 and 12.30.

BECAUSE OF THE HOLES IN THE CHEESE — puppet play.

Wednesday, July 30 at 10.00-12.15.

SUMMER HAPPENING AT TICHU HOUSE — TOURING AND PAINTING Grades 4-6.

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Sun, Mon, Wed, Thurs. Fri. at 11 am. Sun. 15.00, Tues. 16.30.

Archaeology Galleries Mon. 15.00, Judea-Heritage Thurs. 15.00.

Shrine of the Book Sun. at 13.30, Tues. at 15.00.

Rockefeller Museum Sun., Fri., and Sat. at 11.00 am.

VISITING HOURS

Sun., Mon., Wed., Thurs., 10 am-5 pm; Tues., 10 am-10 pm; Fri., Sat., 10 am-2 pm; Art Garden 10 am-sunset.

Dept. of Travelling Exhibitions: Sun., Tues., Thurs., 11 am-1 pm.

Archaeological (Rockefeller) Museum: Sun., Mon., Tues., Wed., Thurs., 10 am-5 pm; Fri., Sat., 10 am-2 pm.

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مكتبة المصلح

No Quarter

South Africa's Might Belies A Region's Weakness

By ALAN COWELL

WITH the international clamor for sanctions, South Africa's white leaders, in a bellicose mood, seem increasingly to be preparing for a siege. "If we are forced to go it alone, then so be it," President P. W. Botha said recently. "South Africa will not crawl before anyone to prevent it."

The South African leader seemed to be speaking from a position of economic and military strength in a region of frailty and dependence among black-ruled neighbors. Yet some analysts argue that strength may prevail only while the nation's 4.5 million whites, a minority that has been ruling for six weeks by emergency decree, secure the quiescence and division of the restive black majority, more than 23 million people. If Pretoria's grip is to falter, this theory holds, it will be weakened from within by an ethnic arithmetic that outstrips the slow-motion racial and political changes. While the black population, here as elsewhere in Africa, is growing at a rate the economy can barely sustain, white emigration is building, particularly among young professionals.

Yet, on the surface at least, the Afrikaners seem capable still of molding the nation and region to their liking. Even a total trade embargo, by most economists' reckoning, could be withstood for three or four years.



Workers in a gold mine near Carletonville, South Africa.

South Africa's military might, in comparison with its weak neighbors, is overwhelming, challenged in equipment only by Cuban forces in Angola. Despite previous embargoes on arms supplies, the country is now a net arms exporter, capable of producing combat helicopters, long-range artillery, missile systems and other weapons. Recently, in a display seemingly directed at boosting white morale, the state armaments company unveiled a modified French Mirage 3 plane said to be a match for Soviet MIG-23's used in Angola. It may add 10 or 15 years to the operational life of the aging air force. But armies are expensive and, in the emergency, South Africa's forces, which can muster an estimated 400,000 regulars and reservists, are divided between the long-stimmering guerrilla war in South-West Africa and the campaign to quell protest and violence in segregated black townships.

Circumvention of international economic pressure can be costly, too. South Africa has sidestepped a porous embargo on oil sales, stockpiling reserves in disguised mineshafts and creating a sophisticated oil-from-coal plant. But economists say this has cost billions of dollars that might have been spent placating black anger.

Last week, as West Europeans again tried to promote dialogue between the land's increasingly divided races, President Reagan renewed his opposition to sanctions. His position was welcomed by white leaders. But it prompted bitter complaint from critics of apartheid such as Bishop Desmond M. Tutu and the Rev. Allan Boesak.

"What is disturbing is the do-or-die attitude expressed in certain circles and the feeling that, if it came to the worst, South Africa would survive intact a total embargo on its imports and exports," said Gerald Prossandis, economics editor of Business Day, the Johannesburg business daily. "In the short term, South Africa could get by, but in the long term no one is an island," he wrote recently. "The South African economy would slowly wind down, and the present inflationary trend would be entrenched further."

He estimates that a total trade embargo might cut exports by 15 percent, causing a drop in the gross domestic product, which already suffers from a lagging growth rate. Many exports—such as gold, the principal foreign-exchange earner, diamonds and strategic metals—would probably elude an embargo because of interna-

tional demand. But other exports, such as coal and fruit, he said, would suffer, and the nation might find it increasingly difficult to import sophisticated equipment.

Within the isolation that South Africa's leaders seem to be forecasting, other pressures are building. Unemployment among blacks in some regions is already nearly 60 percent, fueling discontent. Black labor unions, moreover, have been increasingly ready to use their power for political ends, albeit with mixed results. And while the state of emergency seems designed to excise protest from the townships, many analysts believe there has been a fundamental shift away from longstanding black passivity. In Durban last week, the police reported the arrest of a "large number" of guerrillas from the African National Congress, the most prominent of the outlawed movements seeking the violent overthrow of white rule. The arrests seemed to betoken another strand of the nation's pain. Beyond the bland exterior of white-run cities, the authorities are fighting an underground war against insurgents whose ability to survive against militarily superior forces may be an emblem for other blacks of an alternative life beyond apartheid.



"If Congress imposes sanctions, it would destroy America's flexibility, discard our diplomatic leverage and deepen the crisis."

—President Reagan, in an address to the World Affairs Council and the Foreign Policy Association



"I am quite angry. I think the West, for my part, can go to hell."

—Bishop Desmond M. Tutu, the 1984 Nobel Peace Prize winner and Archbishop-elect of Cape Town, reacting to the President's speech



"I'm amazed Bishop Tutu was as restrained as he was. People are being mugged and shot, imprisoned, killed, smothered."

—Senator Joseph R. Biden, Democrat of Delaware

Reagan Resists Sanctions, but . . .

PRESIDENT Reagan urged Congress last week to reject "punitive sanctions" against South Africa, but many senators could not have disagreed more. Senator Richard G. Lugar, the influential Republican chairman of the Foreign Relations Committee, was weighing new measures aimed at pressuring white South Africans to open negotiations with black leaders on abolishing apartheid.

The measures he was considering included freezing South African bank deposits, limiting American consular services and curtailing travel visas, banning imports from state-owned industries such as steel and revoking the landing rights of South African Airways.

After stormy exchanges with senatorial critics, Secretary of State George P. Shultz retreated a bit. Admitting that "it may not be possible" to persuade the Senate to wait to coordinate American policy with the West European allies, he consulted with Mr. Lugar on keeping the measures to a minimum. Revocation of

aviation landing rights, the White House said, was acceptably "not punitive."

Mr. Reagan urged Pretoria to set a "timetable" for the elimination of apartheid and release all political prisoners, including Nelson Mandela, a leader of the outlawed African National Congress. But the President condemned "new acts of terrorism," which he attributed to "Soviet armed guerrillas" of the Congress.

The Reagan Administration, in cooperation with British intelligence, has been forwarding political intelligence about the African National Congress and warnings of guerrilla attacks to South Africa, according to some Government officials. However, Mr. Shultz said the Director of Central Intelligence, William J. Casey, had assured him "categorically that that was not true."

On another front, the Administration was considering appointing a black career diplomat as Ambassador to South Africa after Robert J. Brown, a black businessman, withdrew from consideration.

Confusing Signals About the Economy

Of Tea Leaves and Interest Rates

By ROBERT D. HERSHEY Jr.

SELDOM has it been harder to read the United States economy. Analysts say that some recent measurements looked awful, some appeared strong and others were just plain puzzling. The Government reported last week that the nation's output of goods and services rose at an annual rate of 1.1 percent in the second quarter. At the same time, it raised the growth rate for the January-March quarter to 3.8 percent from the 2.9 percent calculated earlier. The gross national product thus grew at a rate just under 2.5 percent for the first half of 1986—not quite satisfactory, most economists maintain, but not cause for alarm.

The G.N.P., however, has become an increasingly unreliable indicator of overall economic health. It is not that Government statistics-gathering is at fault—though frequent revisions are evidence of the limitations of the craft—but rather that the 44-month-old recovery has become badly lopsided. Manufacturing, oil exploration and much of agriculture and commercial real estate are all statistically flat on their backs. But home building, financial services and much of retailing are booming, the numbers tell us.

There are always differences, of course, in the relative performance of various parts of the economy. But what makes the present situation special, and more than a bit unnerving, are the fundamental imbalances beyond our borders that are influencing the United States as perhaps never before. The problem, stated simply, is this: the United States is importing far more goods than it sends abroad, and the industrial countries from whom its buys are piling up huge surpluses of cash that for lack of investment opportunities at home is sent back here to support an artificially high American standard of living. At the same time, the third world cannot sell enough of its raw commodities in sluggish world markets to service its huge debts.

This was the predicament that the Federal Reserve

Chairman, Paul A. Volcker, felt compelled to address in an appearance before Congress last week. "We cannot build a lasting foundation for sustained growth and stability on massive international disequilibrium—huge and rising trade deficits in the United States and counterpart surpluses abroad," he declared. "Nor can we count on satisfying indefinitely so much of our own needs for capital by drawing so heavily on the savings generated elsewhere in the world—savings that have been so freely available in part only because internal growth in Europe and Japan has been relatively slow."

The biggest part of the solution, the Fed chief and many others agree, is to promote faster growth in Western Europe and Japan. This would lead to more purchases of American goods, thereby spurring output here as well as reducing our trade deficit. For its part, this view holds, the United States should cut its budget deficit so it will be able to live with reduced inflows of recycled foreign capital. In the process, demands for protectionism that harm all trade partners would lose their political appeal.

Nobody knows whether this will happen, though Mr. Volcker noted that growth in West Germany, at least, has shown signs of picking up. But if there is no acceleration overseas, many economists doubt that the United States can continue to grow much longer at even the current modest pace.

In recent weeks, the long-awaited second-half revival that was to be touched off by lower oil prices, a more competitive dollar, falling interest rates, suppressed inflation and the spending of hefty stock-market profits has become as much a hope as an expectation even though the Reagan Administration was reported Friday to be projecting a robust fourth-quarter growth rate of 4.5 percent.

Although consumers are continuing to carry the economy—last week's G.N.P. report showed personal consumption spending rose \$34 billion in the second quarter, as against a \$21 billion increase in the first quarter—they may be approaching their limits. And while business investment has undoubtedly been held back by un-



certainty over tax-overhaul legislation, there's no assurance that it will snap back quickly at a time when the utilization of existing capacity is below 80 percent.

What's more, spending cuts by the Government, assuming substantial reductions are made in line with the budget-balancing law, make it likely that this sector will prove something of a drag on the economy.

In addition, if the economy remains lackluster the Federal Reserve would have less ability than usual to coax interest rates lower. Its monetary policy is already quite accommodative—so much so, in fact, that even some Democrats were wondering openly last week whether the Fed was running too great a risk of reviving inflation. Analysts also suggested that the things lower rates can encourage, such as housing, are doing well and that a still greater availability of credit would have relatively little effect since so much demand is "leaking" overseas.

Mr. Volcker himself pointedly referred to the limits of monetary policy during his Congressional appearance last week. He said: "A single, broad-brush policy instrument cannot, at one and the same time, be called upon to stimulate the economy, protect the dollar, restrain excessive debt creation and shift resources away from consumption and back into investment, manufacturing and exports—as desirable and important as all those goals may be."

Across the South, Prayers for Rain

"This isn't a drought," Ray Ward, a Georgia dairy farmer, said one day last week. "It's not even a disaster. It's a catastrophe." Farmers have always been quick to accentuate the negative, but last week, as the July siege of sometimes record-breaking temperatures and the seemingly endless spell of bone-dry weather continued across the South, Mr. Ward's assessment seemed almost an understatement.

Here and there, showers and cloudbursts provided a measure of relief from heat that has been blamed for the deaths of some three dozen people, many of them frail and old or too poor to afford air conditioning.

The drought, by some reckonings, has cost farmers in the region \$2 billion or more in crops lost and livestock hurriedly sold at take-it-or-leave-it prices. The economic toll seemed certain to mount, even with a cool snap. Because 1986 has been extraordinarily dry from the start, many specialists agreed that even a month of soaking downpours would do little to revive scorched fields of corn, soybeans and peanuts.

Parts of South Carolina, Virginia and Florida have been declared disaster areas. A dozen Tennessee counties have filed for Government aid. Agriculture Secretary Richard E. Lyng said his department would consider making surplus feed and cash grants available to hard-pressed Southern farmers, but he warned: "For me to suggest that the Government could solve the problem of all farmers would be misleading."

Tommy Irvin, Georgia's Commissioner of Agriculture, predicted that the drought would drive "thousands" of farmers in his state off the land for good.

Urban areas were feeling the effects as well. With reservoirs down near rock-bottom levels, many communities have imposed emergency water-use restrictions.

The World



Prince Andrew and Sarah Ferguson leaving the altar at Westminster Abbey after their wedding last week. They are followed by attendants, including Prince William (front, right) and the best man, Prince Edward, at rear.

Violence in India: Sikh Extremists Kill 15 on a Bus

Violence broke out again last week between Sikhs and Hindus in India. It began Friday, in the worst attack by Sikh extremists in at least a year in the northern state of Punjab. The killers halted a luxury bus, singled out 15 passengers as Hindus and shot them with pistols and automatic weapons as the other passengers watched by the side of the road. One report said that the dead included a Sikh who had not been wearing the sect's traditional turban and so was mistaken for a Hindu.

The massacre provoked retaliation against Sikhs by Hindu mobs in New Delhi and its suburbs, and raised fears that the violence might spread.

In the capital, four people were killed, three of them by police gunfire, and scores were injured. Shops, cars and religious shrines were set afire, and menacing bands of young Sikhs carrying long swords roamed the streets.

By nightfall Saturday, the Hindu retaliation in the capital had not risen to the level it reached in November 1984, after Prime Minister Indira Gandhi was assassinated by two Sikh security guards. Then, Hindus killed 2,500 Sikhs in New Delhi alone.

The attack in the Punjab came after the police had stepped up efforts against Sikh extremists; hundreds have been rounded up in recent weeks, and many have been shot.

The Sikhs, a 500-year-old sect that split from Hinduism and professes monotheism and the virtue of martyrdom, comprise about 2 per cent of India's predominantly Hindu population, but the Punjab state government is controlled by Sikh moderates.

An indefinite curfew was imposed Friday evening in Muktsar, the town near the Pakistani border where the shooting occurred early in the day. Paramilitary policemen were reported to have stepped up their patrols in the neighboring state of Haryana, which has been the scene of anti-Sikh agitation by Hindus.

Spain Blames the Usual Suspects

Terrorists believed to be Basque separatists were busy in Spain last week.

In Madrid, the Spanish Defense Ministry was struck by a salvo of anti-tank grenades fired by remote control from a car that itself exploded moments later. Nine people, including two on the street and one on a passing bus, were wounded.

In San Sebastian, two Civil Guards were killed near their barracks by a bomb apparently detonated by remote control.

The authorities blamed both attacks on the Basque separatist group E.T.A., which had claimed responsibility for a Madrid car bombing a

week earlier in which 10 policemen were killed.

In the meantime, France turned over to Spanish security forces a Basque activist believed to be an E.T.A. leader, José Manuel Varona López. It was a departure from France's practice of expelling Basque suspects to third countries, and some officials said the move had led E.T.A. to step up its attacks.

E.T.A., which in the Basque language stands for Basque Homeland and Liberty, says it has killed nearly 600 members of the Civil Guard, the police and the military since 1968. The Spanish Prime Minister, Felipe González, says the Government will not negotiate until the separatists give up their arms.

The rocket attack Monday morning was launched from a car parked across the Paseo de la Castellana from the ministry.

A New Deal For Mexico

With a foreign debt of \$98 billion and an economy depressed by declining oil prices, Mexico has signed an agreement with the International Monetary Fund that could lead to \$12 billion in new loans.

Between \$6 billion and \$7 billion would be sought from American, European and Japanese banks, with the rest to be provided by the I.M.F., the World Bank, the Inter-American Development Bank and the governments of other industrial nations. The loan period would be 18 months, 6 months longer than usual.

To qualify for the loans, Mexico agreed to restrict Government spending for subsidies on such things as food and services, and to continue selling to private investors some of its 700 state-owned enterprises.

But the austerity measures were considerably weaker than those usually required of international borrowers. The new loans would also be linked to oil prices, with Mexico qualifying for more credit if prices fell and its credit limit shrinking if they rose.

The agreement was favorably received by bankers in this country, reflecting a growing confidence that the accord might help Mexico repay its enormous debts. Many bankers believed that they had no choice but to increase their investment in Mexico to protect old loans.

Until the new agreement last week, leading bankers had said they could not lend Mexico more than \$3 or \$3.5 billion because of the losses their institutions had already suffered there.

Mexico contended that it needed the funds to help cope with a deep recession and the burden of paying its foreign debt. An official of the I.M.F. said he doubted that the new loans would do more than give Mexico time to deal with those problems. "This is a short-term solution," he said. "I don't think they're out of the woods yet."

James F. Clarity,
Richard Levine
and Milt Freudenheim

Reagan Polishes a Response to Gorbachev

Moving Inch by Inch on Arms Control

By LESLIE H. GELB

AFTER six and a half years, the Reagan Administration and the Russians are finally engaged in what officials and diplomats here say is the beginning of a serious bargaining process on arms control. And, despite substantial differences, there were strong signals last week of both sides' willingness to compromise.

The focal point was President Reagan's draft letter to Mikhail S. Gorbachev, the Soviet leader. The draft was said to contain some new responses to Soviet proposals on the future of space-based missile defenses and on deep cuts in offensive nuclear forces. But there also was a good deal of action in Geneva, where delegations of experts from Washington and Moscow met to talk about the future of the 1979 strategic arms limitation pact and the future of nuclear testing.

Three Points Emerge

In all of this activity, three points stand out: First, Mr. Reagan and Mr. Gorbachev are engaged with each other on a broad foreign policy front — in direct letters, through embassies and third parties and through their diplomats talking about such matters as southern Africa and especially arms control. Second, the positions of the two sides on virtually all the arms control issues is still very far apart, especially on the President's Strategic Defense Initiative, the space-based defense system also known as "Star

Wars." Third, differences notwithstanding, there were signals of willingness to compromise. Especially on Mr. Reagan's part, the signals still point to a desire to hold a summit later this year. And at week's end United States officials seemed optimistic at the announcement that Secretary of State George P. Shultz would meet tomorrow with a ranking Soviet official to discuss an agenda for a Reagan-Gorbachev meeting.

The key to the situation was Mr. Reagan's draft letter, a response to a letter from Mr. Gorbachev received on June 23. Administration envoys fanned out around the world to consult and reported that the allied response to the draft was very positive. Mr. Reagan considered those reactions before he sent the letter to Moscow on Friday. This is what a variety of officials, often with conflicting interests, have disclosed about the draft so far on the key issue of space-based missile defenses. Mr. Reagan's goal remains securing Moscow's agreement to deploy such weapons. And he is giving Moscow a choice: Either stay with the 1972 Anti-Ballistic Missile Treaty, which permits withdrawal from observance and deployment of new systems on six months' notice, or sign a new treaty that would delay the deployments as much as seven years, after which the two sides could deploy jointly or the United States would go ahead alone. This stands in contrast to Moscow's proposal for an agreement to delay for 15 to 20 years the deployment of any new anti-ballistic missile systems, including space-based systems. But the gap between the United States proposal for a maximum delay of seven years and the Soviet proposal for a mini-

mum delay of 15 years may be smaller than it seems. This is because the United States is not expected to have any such systems ready for actual deployment until 1993, that is, nine years from now, rather than seven.

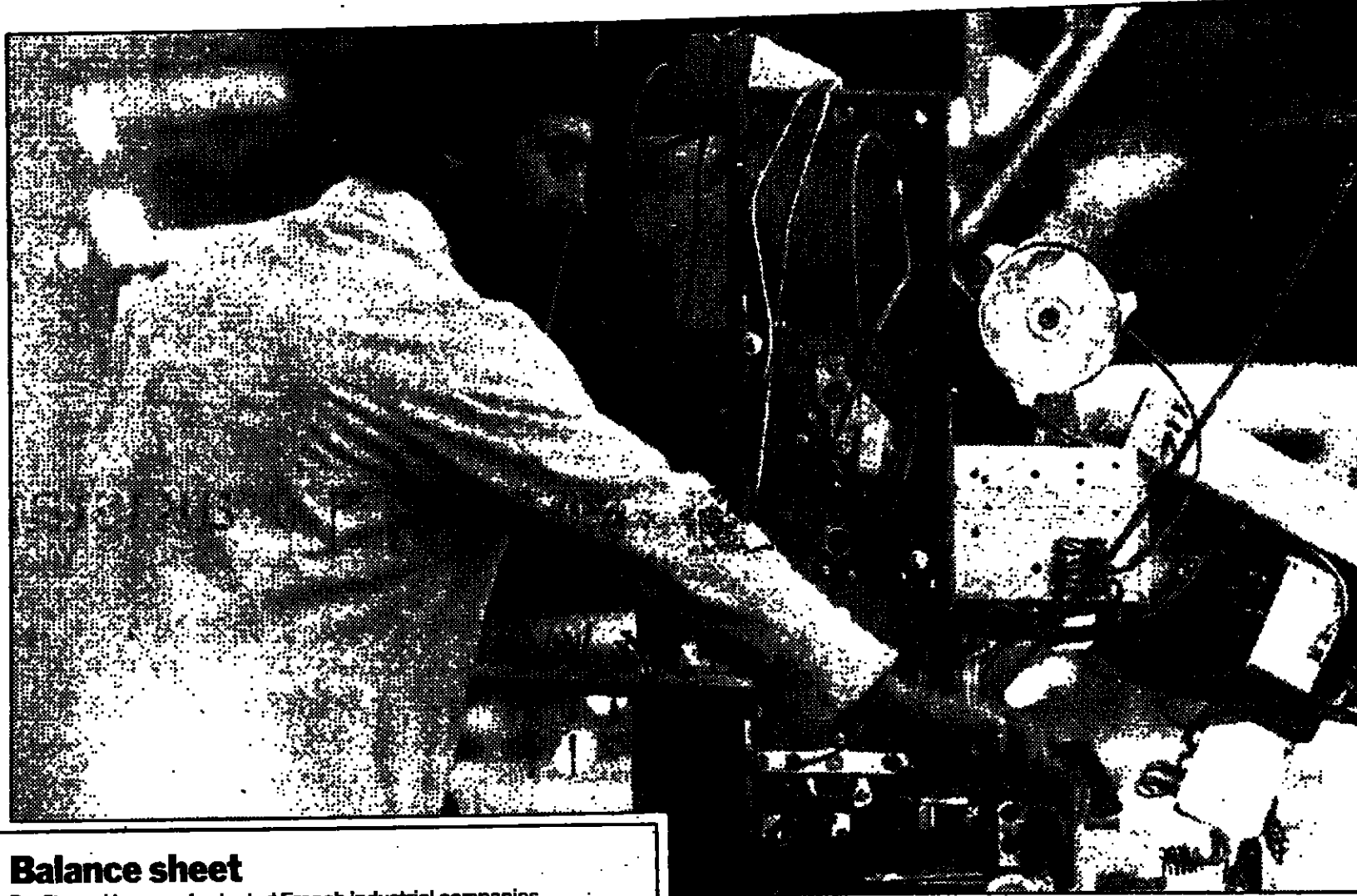
Mr. Reagan's draft is also said to state that, while the deployment of a space-based defense is delayed, he intends to proceed with research, development and testing of new technologies it would use. This, too, is far from Moscow's demand that work be limited to laboratory research.

The President's Dream

The Administration officials who want to move on arms control argue that critics should not look at the details. Focus, they say, on the fact that the President for the first time has indicated a willingness to bargain about his defense dream. The anti-arms control officials say the focus should be on the fact that Mr. Reagan still wants Moscow to join him in making the dream a reality, but they admit that the White House is on the slippery bargaining slope. They content themselves, for the moment, with the fact that the slope is still very long.

In recent months the bargaining between the two nations has come to center more and more on arms control, a tendency the Reagan Administration has resisted for many years. The White House pressed for at least equal attention to regional disputes and human rights. But Mr. Gorbachev has been a skillful diplomat, and Administration officials admit that Mr. Reagan has now found himself having to play the arms control game.

Mitterrand and Chirac Fence Over State-Owned Industries



Balance sheet

Profits and losses of selected French industrial companies nationalized by Socialists in 1981 and scheduled for return to private ownership (in millions of dollars)

	1981	1982	1983	1984	1985
Compagnie Générale d'Electricité	\$63	\$91	\$94	\$113	\$142
Saint Gobain	82	52	103	171	107
Thomson	24	315	178	5	83
Rhône Poulenc	40	112	18	289	328
Pechiney	240	425	42	97	104

A technician at work in a Thomson plant, top; at right, a Rhône-Poulenc chemical plant in eastern France. Both companies, now nationalized, may soon be sold to private investors.

Nationalism Versus Denationalization

By PAUL LEWIS

THE new rightist French Government's plan to sell 65 state-owned banks and industrial companies to private investors has produced the first serious clash between Premier Jacques Chirac and François Mitterrand, the Socialist President, in the four months they have shared power.

Most companies Mr. Chirac wants to sell were nationalized by Mr. Mitterrand's Socialists in 1981. The new, conservative Government sees their return to private ownership as essential for the success of the liberal economic policy it hopes will accelerate growth and reduce unemployment. Mr. Mitterrand is opposing denationalization mostly as a threat to "national independence" — warning that selling the companies and banks risks letting foreigners buy control of strategic areas of the French economy. It is a telling argument in a country noted for prickly nationalism and at a time when the polls show most voters unenthusiastic about the Government's privatization program. Last week Mr. Mitterrand accepted the replacement of the presidents of half of the 25 larger nationalized companies with men loyal to Mr. Chirac and privatization.

But the President had already won two more important battles. First, the Government has agreed to tighter restrictions on foreign inves-

tors, limiting foreign investment to 15 per cent of an enterprise, although the curbs breach European Community laws. And, the Government must submit its plan to the parliament for bruising debate because Mr. Mitterrand blocked enactment by administrative decree.

Since Louis XIV

It is not surprising that privatization should arouse controversy in France. Mr. Chirac is trying to reverse a tradition of state interference in the economy dating to Louis XIV. It is a tradition that has never been seriously challenged, even by a rightwing government. Throughout the 19th century, the state directed and financed the country's industrial revolution. In the 30's, the Popular Front Government took over railways, armaments and the Bank of France. General de Gaulle went further after World War II, adding the biggest banks, insurance companies, coal mines, utilities, the Renault automobile company and Air France. Even the rightist governments in power from 1967 to 1981 developed state companies in such strategic sectors as oil and nuclear energy. In 1981, the Socialists made France's state sector probably the largest in Western Europe by nationalizing the remaining banks and eight major industrial groups. These included Thomson, the electronics giant; Rhône-Poulenc, a big chemical company; Pechiney, the big aluminum producer; Compagnie Générale d'Electricité, an engineering group and the steel industry.

As a result, the state's share of employment rose from 12 to 16 percent while its contribution to total output climbed from 21 to 28 percent. Nationalized companies now account for 36 percent of the economy against 29 percent before. By contrast, in Italy the state sector represents about 20 percent of the economy, in Britain 16 percent and in West Germany 14 percent. The Chirac plan will shrink the state sector to 1981 levels. Most companies nationalized then will be sold, as will insurance groups and banks taken over in 1945, plus the Havas advertising agency and Elf Aquitaine, an oil company. But railways, utilities, coal mines, Renault and Air France will remain nationalized, as will the steel companies, too unprofitable to attract buyers.

The extension of France's state sector failed to produce the economic benefits promised. Under Socialist management its combined losses jumped from 6 billion Francs in 1981 to 18 billion in 1984, forcing the Government to order companies back into the black. Most are now profitable, though at the price of cutting payrolls as they closed inefficient factories. Meanwhile, France's share of export markets continues to decline as many companies remain uncompetitive. With no funds to spare, the Socialists further weakened the rationale for their nationalization program by telling state companies to finance themselves on the stock exchange, like private ones. "The Mitterrand Government began privatization," said Drexel Burnham, the American brokerage house, in a recent denationalization study.

American-Assisted Raids Were Thwarted by Leaks and Bad Planning

A Frustrating Stake-Out in Bolivia

By JOEL BRINKLEY

A WEEK after the United States Army landed to help attack cocaine traffickers in the Bolivian jungle, the Interior Minister, Fernando Barthelemy, stood before a microphone at the American base here. "This is not an open war with death," he said, addressing the concerns of some of his countrymen. "There is no chance of U.S. troops getting involved in armed conflicts with Bolivians."

As things have turned out, he was more than correct. The American military has not been involved in gunfire or much else of great note. In the first 10 days of joint operations, two jungle cocaine laboratories were seized. At both, the traffickers had run off with their equipment days earlier. No drugs were found, and the only person arrested was a 17-year-old who said his job was to wash airplanes.

In the past, Bolivian traffickers have often received advance notice of drug raids from paid informants in the Government.

The Army Black Hawk helicopters ferrying Bolivian narcotics police have also descended on sites that turned out to be ordinary cattle ranches. "I don't think they went where I told them to go," a United States Drug Enforcement Agency official said after one mission. That might have been because of unreliable local maps, he suggested diplomatically. Julio Vargas Soto, commander of the Bolivian National Police, blamed the error on "bad information and various factors." "It's complicated," he said.

At Puerto Barador, a mud embankment on the Rio Mamore near here, 27-year-old Rolando Aljejos and other barge pilots have been ferrying supplies upriver to the cocaine labs in the swampy jungle for several years. All of the traffickers "have disappeared now," Mr. Barador said last week. He added that plans for the raids had been common knowledge along the river for days before the Americans arrived.

At Santa Cruz Airport, near the heart of the cocaine belt, the ramps were lined with dozens of small planes belonging to ranchers and, presumably, cocaine traffickers who had fled. "Our expectations have been lowered," an American drug enforcement agent said as he surveyed one of the deserted cocaine processing labs. "We're not supermen," he said. "We have informants but



Bolivian policeman at a cocaine laboratory found by American and Bolivian forces.

sometimes they're wrong."

The American commander, Gen. James R. Taylor, said: "We are just here to ferry the Bolivian police. This is a Bolivian operation." Last week, as their frustrations grew, the Americans were repeating this point with increasing vigor.

At first, the flight of the traffickers did not seem such a serious setback. The objective, as numerous American officials stressed from the beginning, was not to capture traffickers, although if that happened everyone would be pleased.

State Department officials and Fernando Illanes, the Bolivian Ambassador to Washington, said in advance that their aim was to

locate cocaine labs and blow them up, along with air strips, warehouses and other facilities. "We're going to destroy the factories and discourage continuously the building of new factories," Mr. Illanes said. A few days later in La Paz, however, the word was that nothing would be blown up. Any cocaine-production equipment would be dismantled, but buildings, airstrips and other fixed facilities would be left, in case they were needed for legitimate purposes. Furthermore, Mr. Barthelemy said, blowing up the facilities might damage the jungle "ecology."

The change raised some eyebrows at the American Embassy, where some officers worried that traffickers might simply move back after the Americans leave in September. Said an Embassy official, noting the discomfort the American presence has been causing the Bolivian Government: "Politically, it is just too difficult for them right now."

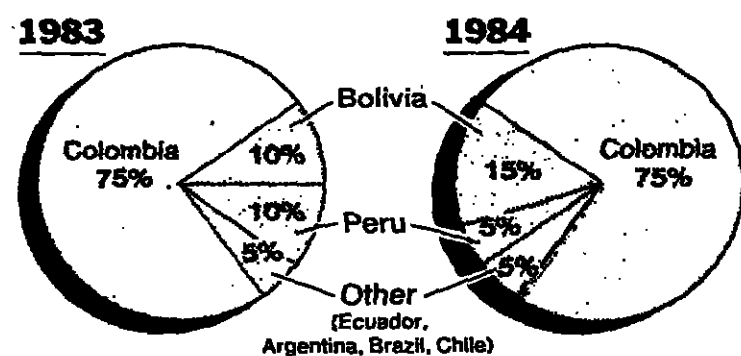
The Bolivians arranged press tours of the first captured site, known as El Zorro, to show the world that Bolivia was serious about drug enforcement. When they heard of the criticism, they decided to blow up the facility, which, after the traffickers had stripped it, amounted to no more than a cluster of tents and huts.

Given the larger goal of the operation — to curb cocaine processing so that the demand for coca leaves would drop, thus driving down their price and discouraging their cultivation — Americans and Bolivians said that the mere presence of American troops in helicopters would have a beneficial effect. At least for now, cocaine production in this region has stopped, officials of both countries said. But the coca leaf did not immediately conform to the normal economic rules of agricultural commodities. Contradicting most people's expectations, in the week after the Army units arrived in Bolivia the price went up.

In Washington, meanwhile, the less-than-impressive results from Bolivia added to Congressional concerns about drugs — the flow of illegal narcotics across the Mexican border; widespread publicity about "crack," a potent form of cocaine, and the drug-related deaths of two athletes, Len Bias of the University of Maryland and Don Rogers of the Cleveland Browns. House Speaker Thomas P. O'Neill Jr. announced a bipartisan effort to try to develop a new comprehensive drug law and bring it to the floor for a vote in September.

Cocaine connections

Probable sources of cocaine sold in the United States (estimates)



Cocaine production

(estimates, in metric tons)

	1982	1983	1984
Peru	36,000	30,000-40,000	50,000-70,000
Bolivia	39,000-44,000	25,000-40,000	42,000-63,000
Colombia	more than 5,000	12,000-14,000	12,000-14,000

Source: The National Narcotics Intelligence Consumers Committee

A Bolivian peasant drying coca leaves.

Gamma-Liaison/Nicole Bonnet

Peres-Hassan Meeting Produced No Breakthrough



King Hassan II of Morocco (left) meeting with Prime Minister Shimon Peres of Israel in Ifrane, Morocco, last week.

Some Dismay On the Road To Morocco

By JOHN KIFNER

WHEN Prime Minister Shimon Peres slipped off in the night last Monday to visit King Hassan II of Morocco, the very fact of his journey created a kind of euphoria here, as Mr. Peres clearly intended it to.

But by the week's end, as it became clear that the Peres-Hassan talks at the King's palace in Ifrane, Morocco, rather than reviving any possible Middle East peace initiative, had ended in an impasse, the assessments became somewhat more downbeat.

"The secrecy and atmosphere of mystery which they generated around it," wrote one Israeli analyst, Uzi Mahnaimi, "led to a high level of expectation in an initiative-thirsty region. And the size of the disappointment is proportionate to the size of the expectations."

King Hassan was reported to have stuck to the plan that the notoriously squabbling Arab states finally managed to agree on at a meeting in Fez, Morocco, in 1982, after the Israeli army had ousted Palestinian guerrillas from Lebanon. The Fez plan implies recognition of Israel if Israel gives up the land conquered in the 1967 war — the West Bank, the Gaza strip and East Jerusalem. It recognizes the Palestine Liberation Organization as the representative of the Palestinian people and agrees to the establishment of an independent Palestinian state with East Jerusalem as its capital. For Mr. Peres, of course, this was unacceptable. On Moroccan television, King Hassan said he had told Mr. Peres: "I have nothing more to say to a man who rejects the P.L.O. and refuses evacuation of the territories, so goodbye."

Optimists, particularly those in Mr. Peres's Labor Party, argued that an open visit by an Israeli leader to a second Arab country was a major gain that could lead to peace negotiations with other Arab states and would ease the isolation of Egypt, which signed its separate peace

with Israel in 1979. Pessimists contended that if King Hassan, the most moderate Arab leader, could not find common ground with what is usually described as the more conciliatory wing of Israeli politics, the deadlock only strengthened the arguments of hardliners on both sides. Nevertheless, the meeting was of personal value to both Mr. Peres and King Hassan.

For Mr. Peres, who is to turn over his post to his right-wing Likud coalition partners in three months, it was a chance to burnish his image as a statesman, somewhat tarnished in the hurly-burly of domestic politics. More practically, it was a move of immense appeal to the roughly half-million Jews of Moroccan origin who, along with others whose families came to Israel from Arab countries, now make up 53 percent of the electorate and are the backbone of Likud support. "That's the man this trip was aimed at," said a prominent Israeli academic over lunch, nodding at a Moroccan waiter. "Peres will gain from this move," wrote Shmuel Segal in the independent conservative newspaper Ma'ariv. "His visit to Morocco has considerably undermined the traditional support for the Likud among Israelis of Moroccan origin."

For King Hassan, a pro-Western monarch who receives \$140 million in American aid each year, the visit also had its plus side. It eased strains with the United States over his surprise "union" with Libya, and, indeed, drew public praise from the Reagan Administration. Still, the visit was less a breakthrough than it might have seemed. Morocco is notable among Arab states for its generally good relations with its own Jewish community, and King Hassan has previously received Mr. Peres and other Israeli leaders in secret, and was a clandestine intermediary in arranging the 1977 trip to Israel by President Anwar el-Sadat of Egypt.

But much of the commentary here following the visit was decidedly cautious. "It would appear that the Hassan-Peres meeting has demonstrated expressly the degree of unity — and not division — that exists in the Arab world," wrote Dan Avidan in Davar, a generally pro-Labor paper. "All the Arab states, along with the P.L.O., have come out behind the political program of the Fez summit. Since Israel does not regard the Fez plan as a basis for political negotiations with the Arabs, the prospects for the advancement of the political process in the Middle East look poorer after the Hassan-Peres summit than they did before it." In the independent tabloid Hada-shot, Guy Bechor wrote: "Shimon Peres, who tried to reach the hearts of the Arabs, is likely to achieve the exact opposite. Ten hours of intensive dialogue at Ifrane, which in practical terms ended with nothing, are liable only to confirm to moderate Arabs what the extremists have always maintained: There's nothing to talk to Israel about."

Bhutto Hopes to Win Over the Army

Pakistan's Establishment Won't Easily Be Budged

By STEVEN R. WEISMAN

IN their sleek new Parliament building, Pakistan's lawmakers seem to be engaged in the business of civilian government. Prime Minister Mohammad Khan Jumejo calls their deliberations a symbol of the "democratic process," while the opposition says it is all a sham in which President Mohammad Zia ul-Haq and the army rule behind the scenes.

What seems beyond question is that this Government, elected in nonpartisan voting last year, represents the continuation of rule by interlocking elites that have always retained influence, even during overt military control. Those elites include civilian and military bureaucrats, Moslem clergymen, large feudal landowners and, to a lesser degree, businessmen and industrialists.

Their power poses special difficulties for Benazir Bhutto, the fiery opposition leader who seeks to overthrow General Zia and force new elections this fall. With her ability to draw millions of people to anti-Government rallies, Miss Bhutto, the 33-year-old daughter of the late Prime Minister Zulfikar Ali Bhutto, is seen as the country's most popular politician. But she has not won broad support among members of the establishment.

"The masses have never decided the fate of Pakistan," said Hussain Haroon, a prominent Karachi politician and businessman. "The Government has always been controlled by a syndicate of vested interests. The syndicate has no head and it has no tail, but it rules. Benazir will never govern until she wins its confidence."

The bureaucracies continue to exert power they accumulated during nearly a century of British rule. Numerous Pakistani leaders are former bureaucrats, because they were the only available trained experts. Bureaucrats have long looked down on politicians and been willing to undercut them. Mr. Bhutto's attempts to fill his administration with loyalists sparked a revolt by bureaucrats, which was said to have encouraged the subsequent army coup. Now the civilian bureaucracy seems to be working comfortably with Mr. Jumejo's Cabinet.

After calling on the military to suppress widespread rioting, Mr. Bhutto was overthrown in 1977 by General Zia, his army commander, and was executed after a military trial in 1979 on a disputed murder-conspiracy charge. When martial law was lifted in December, many analysts say, some generals gave up their governmental perquisites and payoffs with reluctance. Miss Bhutto's people predict that key generals will support her accession if anti-Government turmoil erupts this fall, as she hopes it will. Government leaders deride this view.

The Moslem clergy is even less friendly toward her, although she has been meeting with some well-known mullahs. The Government has won clerical support through a nine-year-old program to make Pakistan's laws conform to ancient Islamic teachings. The Government also pays the salaries of many mullahs and has greatly increased construction of rural mosques.

As for the feudal landlords, many say their power has diminished because of Government limits on land holdings. But large families still control thousands of acres and exercise enormous influence over their field workers. Landlords like Mr. Bhutto and Mr. Jumejo invariably win elections. Feudal patriarchs often have sumptuous houses with gardens, Persian carpets, videotape players and even wine cellars, despite a ban on alcohol. Only in Pakistan, it seems, can a feudal landlord seriously try to persuade a visitor that the system resembles communism because he is the complete "servant" of his people, dispensing justice and health care and presiding at weddings. Miss Bhutto has ousted key feudal leaders in her camp and talks of new taxes on land.

Many businessmen also appear to be warily backing Mr. Zia and Mr. Jumejo, who promise to encourage the private sector. Many associate Miss Bhutto with her father's socialist ideas. Mahbubul Haq, now the Planning Minister, once said that Pakistan's business community was dominated by only 22 families. But after Mr. Bhutto's nationalization measures, their power was broken and dispersed. Today, Mr. Haq says, Government officials are more powerful. "An unprecedented amount of power, more than was ever enjoyed by the 22 families, is now in the hands of the bureaucracy," he says.



Supporters of the Pakistani opposition leader Benazir Bhutto at a rally in May. Their hats bear portraits of Miss Bhutto and her late father, Zulfikar Ali Bhutto, a former Prime Minister.

J.B. Pictures/Collected/Lens

The Nation

Manion Judgeship Won Narrowly And With Muscle

Daniel A. Manion, whose critics said he lacked the competence, commitment and experience to be a Federal judge, ultimately did not lack the votes. After months of debate, some last-minute maneuvers and a horse-trade or two, the Senate narrowly approved last week Mr. Manion's appointment to the Court of Appeals for the Seventh Circuit.

It was a victory for the Reagan Administration, but it seemed less a triumph of principle than a show of political muscle. The White House insisted that opponents to Mr. Manion's nomination were politically motivated, but those who argued against approving the Indiana lawyer tended to cite his legal record rather than his political ties.

The deans of more than 40 of the nation's most prominent law schools said in a letter to the Senate that Mr.

Manion lacked "legal acumen, professional achievement, wisdom, fidelity to the law and commitment to our Constitution." Others pointed to the numerous misspellings and grammatical errors in his briefs as evidence that he was unqualified.

After last week's 50-to-49 vote of approval, President Reagan characterized opponents of Mr. Manion's nomination as members of "a little lynch mob."

Some of those opponents suggested that some Senate support for Mr. Manion was won with Administration favors. Paul Simon, a Democrat whose home state, Illinois, is part of the Seventh Circuit, said it was a case of "just plain old simple political muscle." And Senator Edward Kennedy, alluding to the Administration's approval of two lesser judgeships that had been stalled, accused the White House of going beyond log-rolling to "judge-rolling."

Mr. Manion, meanwhile, defended his briefs by saying that the cited examples had been written in a hurry. He suggested that any shortcomings he might have as a Federal judge

could be overcome through on-the-job training. "I know after a few months or a year or so on the job," he said, "I will be up to speed."

Detroit Strikers Settle With City

As proof of his impatience with a 10-day-old strike by 7,000 municipal workers, Mayor Coleman Young of Detroit began taking offers off the bargaining table last week instead of putting them on.

Whether or not that did it, a tentative agreement was announced less than a day later, around midnight Friday, ending a walkout that saw 200,000 bus riders looking for alternative transportation and millions of pounds of trash getting no transportation at all.

Meanwhile, 12,000 municipal workers in Philadelphia went back to work earlier in the week after a record-breaking 20-day strike. They settled tentatively for a 10 percent wage increase over two years.

Details of the Detroit agreement were not announced, but wages were the chief issue. The city's last publicly announced offer was an increase of as much as 18 percent over three years, based on Detroit's ability to pay. The strikers, members of Michigan Council 25 of the American Federation of State, County and Municipal Employees, were last known to be asking for a guaranteed increase of 28 percent.

Mayor Young appeared to draw the line when he accused the union of recalcitrance and ordered city negotiators to withdraw their latest offer. He threatened to begin talks again

with "a clean table." Announcing the tentative agreement yesterday, James Glass, president of Council 25, said it "moves AFSCME workers forward on important wage and contract language provisions."

Where Are the 'Stealth' Papers?

A month ago, John D. Dingell, the Michigan Democrat who heads a House investigative subcommittee, charged that Lockheed Corporation was mishandling classified documents. Company spokesmen said that was news to them. Last week, though, Lawrence O. Kitchen, Lockheed's chairman and chief executive officer, conceded that more than a thousand secret documents had been misplaced at a plant in Burbank, Calif. "Our internal laxness is inexcusable," he said. "I assure you that we are committed to full and timely corrective action."

Neither Mr. Kitchen nor members of the Subcommittee on Oversight and Investigations of the House Energy and Commerce Committee, which has been looking into how careful defense contractors are with Government secrets, said precisely what the documents described. But other sources said the paperwork concerned several projects, among them the F-19, a radar-evading Stealth fighter that the Burbank plant began producing in 1984.

Lockheed officials said they did not believe any of the missing documents had ended up in a K.G.B. pouch, but they could not swear to it. Neither could the Pentagon. "Although we have no information



A Detroit resident at an emergency city dump site last week.

to suggest that the information associated with the contract has been compromised in the sense of getting to some foreign government," said Robert M. Sims, a Pentagon spokesman, "obviously an inability to ac-

count for the documents internally makes it impossible to know if such compromises have occurred."

Michael Wright and Caroline Rand Herron

Did the C.I.A. Help Pretoria Track Its Foes?

How U.S. Intelligence Shares Some Secrets Among Friends

By STEPHEN ENGELBERG

AMONG all the furtive dealings of intelligence agencies, few are more secret than the sharing of information with other countries. For while such exchanges are essential to any intelligence service, their public disclosure could hopelessly complicate foreign policy questions.

So the denials were quick and firm last week when one of Washington's more touchy liaisons became the subject of public discussion.

Present and former Government officials said the United States, working closely with Britain, had supplied South Africa with intelligence on the banned and armed African National Congress. The information was said to include specific warnings of attacks planned by the guerrilla group. In return, the officials said, South Africa reported on nearby Soviet and Cuban activities. It could not be learned whether the exchange was continuing.

Reagan Administration officials denied having provided the South Africans with any data on the A.N.C.

George P. Shultz, the Secretary of State, told a Congressional committee that the Director of Central Intelligence had assured him the United States had not given such information to South Africa.

The Administration statements were not surprising. No Government wants to discuss the secret intelligence it shares with allies. In this case, moreover, the Reagan Administration has been considering the possibility of establishing contacts with the A.N.C. in an effort to bring pressure upon South Africa to end its policy of apartheid, and a public disclosure of the exchange with Pretoria would undoubtedly make any future dealings with the Congress more difficult.

Denials aside, the sharing of information is a way of life among intelligence agencies. Sometimes it happens in the field, in informal meetings between Central Intelligence Agency station chiefs and their colleagues from other countries. And sometimes it is handled in formal meetings and through permanent computer links, according to former intelligence officers. The exchanges are supposed to be authorized by headquarters, but the former officers acknowledge supervision can be loose. On occasion, intelligence sharing can be used to fur-

ther foreign policy goals. When Robert Hawke was elected Prime Minister of Australia in 1983, the Reagan Administration significantly enhanced the quality of the information being shared with the Australian Security Intelligence Organization, according to analysts in Washington. This was done to signal encouragement to the Labor Party government, which was viewed by some analysts as hostile to American interests.

The main force driving the worldwide information bazaar is the comparative wealth of data Washington gathers from a worldwide network of human and technical sources. Its satellites photograph the globe and its listening posts intercept communications around the world.

In exchange for a share of that network's output, other countries provide Washington with their own information. They may have been able to put interception equipment in places not accessible to the United States or develop sources not available to American intelligence.

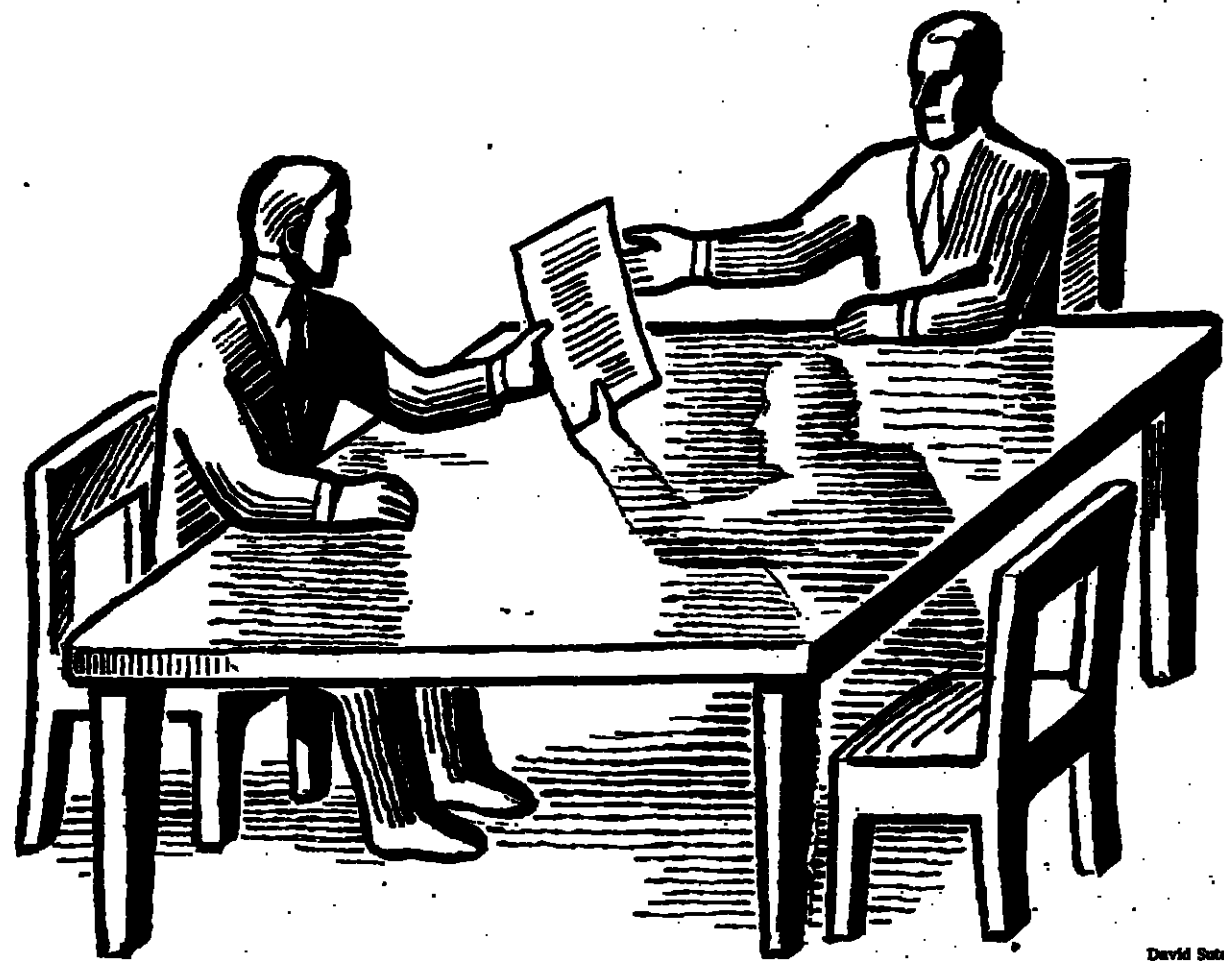
But it is largely Washington that calls the shots. "The United States is obviously festooned with the best acquisition capability and huge budgets," said a former intelligence official. "Other countries are relatively impoverished. That is why we are in the driver's seat."

One of the best known information-sharing relationships involves the C.I.A. and Israeli intelligence. The Israelis provide extensive information on terrorist groups. In exchange, they are given some, but not all, of the related material gathered by American sources.

Clear limits are set. The Israelis, for instance, have long wanted their own "downlink" to American photo satellites. The United States refuses to allow such a connection, although satellite photos are routinely shared with Israel. Nor do the Israelis get raw decoded material from intercepted communications, which Washington prefers to keep closely guarded. And Israel is not given sensitive information on the moderate Arab countries with which the United States has military dealings.

That some measure of distrust apparently is part of America's liaison with Israel became embarrassingly public last year when the authorities arrested a Navy analyst and charged him with spying for Israel. The analyst, Jonathan Jay Pollard, pleaded guilty.

Administration officials speculate that he was recruited to obtain information the Israelis could not get through normal channels, in part to ascertain whether Washington was withholding any relevant items.



The Demise of a Long-Lived If Sloppy Spy Ring

By KATHERINE BISHOP

SAN FRANCISCO
A Federal jury rang down the final curtain last week on an espionage conspiracy that began with a meeting between two Navy buddies in 1974 at a now-defunct San Diego restaurant called Boom Trenchard's Flarepath. After 10 days of deliberation, the jury found a former Navy radioman, Jerry A. Whitworth, guilty on seven counts of espionage and five counts of tax fraud for passing military data to John A. Walker Jr., who sold it to the Soviet Union for nearly a decade.

"I didn't think it would come to this," Mr. Whitworth told a friend in a tearful telephone conversation just before his arrest in June 1985. That it did so seems to have been in part Mr. Whitworth's own doing. By his defense attorney's admission, he sent a series of anonymous letters to the Federal Bureau of Investigation describing the theft and sale to Soviet agents of secret Navy cryptographic data, message traffic and wiring diagrams for the machines used to encode and decode classified messages. In the letters, Mr. Whitworth

offered to expose "a significant espionage system" in exchange for freedom from prosecution, but then changed his mind, saying that the discovery of his identity would be "remote" as long as he kept silent.

Despite having received \$332,000, tax-free, from Mr. Walker for the military secrets, the former farm-boy from Muldrow, Okla., ended his days as a free man unemployed and living in a mobile home in Davis, Calif. Before that inglorious end, there had been bottles of fine wine, dinners at elegant restaurants, cars, home computer equipment and cameras. But there had also been losses in real estate deals, commodities futures and mass-produced art.

John Walker contended that they would never have been caught had it not been for "a snitch," his former wife, Barbara Joy Crowley Walker, whose belated report to the F.B.I. in late 1984 is generally credited with exposing the spy ring.

But it was, in part, Mr. Walker's pack-rat habits that proved crucial to convicting him and Mr. Whitworth. Unlike the spies of popular fiction who memorize and destroy their instructions, Mr. Walker saved everything from an advertisement

for an espionage seminar in "Soldier of Fortune" magazine to a closet shelf of maps and instructions for meeting with Soviet agents.

Now that Mr. Walker has fulfilled his agreement with the Government to testify against Mr. Whitworth, he faces sentencing in Baltimore in August along with his son, Michael L. Walker. In exchange for pleading guilty to espionage and undergoing extensive debriefing about the secrets that were passed to the Soviet Union, John Walker faces a sentence of life in prison and a tax lien of approximately \$250,000.

Michael Walker, who was a 22-year-old Navy yeoman when his father tempted him into the spy ring, is expected to receive 25 years in prison. John Walker's older brother, Arthur J., a retired Navy lieutenant commander, was convicted in a brief nonjury trial last August of stealing classified military data from a defense contractor for whom he worked and supplying them to his brother in exchange for \$12,000. He has been sentenced to life in prison. His appeal, based in part on the assertion that Soviet experts declared the materials he had stolen worthless, was denied earlier this month.

Judge Claiborne Is the First to Be Impeached in 50 Years

Congress Seems a Reluctant Prosecutor

By PHILIP SHENON

WASHINGTON
FOR only the 14th time in the nation's history, the House of Representatives has impeached a Federal official. The vote last week, 406 to 0, means that Judge Harry E. Claiborne of Las Vegas, a convicted tax evader who is serving a two-year prison term, must resign or face a Senate trial.

That Judge Claiborne is the first official impeached by the House in 50 years may be a measure of Capitol Hill's reluctance to trigger the tortuous impeachment process. Congress has long been wary of using a power that, by turning lawmakers into prosecutors, threatens to tie them up for weeks or months.

To an extent, the Founding Fathers may have meant it that way. They wanted to protect the independence of ranking Federal officials by making it difficult for Congress to remove them without cause. But even in the early days of the Republic, some wondered whether the cumbersome and often confusing impeachment procedure would ultimately protect incompetent or corrupt officials. Thomas Jefferson once referred to impeachment as an "impractical thing, a mere scarecrow."

Only 13 impeachment cases have been forwarded to the Senate, which acts as judge and jury after the House impeaches—in effect, indicts—an official. Four cases, all involving judges, resulted in conviction. President Nixon's resignation ended calls for his impeachment in the Watergate scandal, and only one President, Andrew Johnson, has been tried in the Senate; he was acquitted in 1868 of purely political charges that he had improperly dismissed his Secretary of War.

There are occasional suggestions that the Constitution be revised to streamline the impeachment process and remove its protection for judges on lower Federal courts, safeguards that can leave a convicted felon to retain his post long after his trial and appeals.

When they decided that senior Federal officials could be removed only through impeachment, the Constitution's framers probably had no idea that the judiciary would turn into a vast bureaucracy, or that Congress



Harry E. Claiborne

would become so burdened with work, arguably more important, business.

Bruce A. Ackerman, a professor of law at Columbia University, said that in devising the impeachment process "the founding fathers were thinking of the President and the Justices of the Supreme Court, not an army of Federal district judges or, for that matter, judges on Federal courts of appeal." He wondered if the nation should not find another way of removing lower-court judges. "Congress doesn't have the time," he said.

Among the states, the removal of judges is usually handled through disciplinary panels, and their findings are subject to review by higher courts. While some state panels are thought to be only minimally effective, they have nonetheless ousted scores of wayward judges in recent years.

The last Federal judge removed from the bench was Halsted L. Ritter of Florida, who was convicted by the Senate in 1936 for his questionable actions in a receiver-

ship case. The only previous conviction in this century was in 1913, when Congress impeached Robert W. Archbald, a judge on the United States Commerce Court who was hargued with accepting favors from litigants.

The decision to move against Judge Claiborne seems to have been, as much as anything, an angry reaction to his insistence on retaining his lifetime tenure and his \$78,700-a-year salary, which he continues to collect at a military stockade in Alabama.

The procedures to be followed in the Senate trial are under review by the Rules Committee. It is thought likely that the trial will take place before a special 12-member committee that would review the evidence and hear testimony, then forward its findings to the full Senate for a final review and vote. Judge Claiborne may push for a trial before all 100 senators, allowing him a broader forum for his defense. Unless convicted, Judge Claiborne could return to the bench when he is released from prison—a prospect that dismays legislators and other jurists.

That same fear has inspired serious discussion of whether the House will soon have yet another impeachment vote, this time against Judge Walter L. Nixon, chief Federal judge for Mississippi's Southern District. In to a grand jury. Judge Nixon, who has refused to step down, continues to make use of a Government office and makers are expected to begin drafting articles of impeachment against him if appeals courts uphold his conviction and he refuses to resign.

Now, Japan Inc. Wears a Hard Hat

Japanese builders are beginning to win some big contracts in the United States.

By ROBERT A. BENNETT

UNDER the hot Arizona sun, a team of Japanese engineers watched carefully as a huge, white-and-red "mole" was lowered into a hole 30 feet wide and 65 feet deep. The Japanese-made machine was positioned to dig three huge drainage tunnels for the last leg of I-10, the interstate highway that will link Los Angeles with Florida.

Today, three years later, the tunneling job is about complete. The engineers, employees of Obayashi Gumi, one of Japan's biggest construction companies, are back in Tokyo. The remaining work on the tunnels is in the hands of Obayashi's American partners.

But the tunnels remain a symbol of Japan's inroads into the American construction market.

The Japanese share of this market reached \$1.7 billion last year, more than double the \$700 million of 1984, according to Engineering News-Record, an industry publication. This year, the companies may capture \$4 billion of the more than \$100 billion in American contracts — not far below the \$5 billion in domestic contracts won last year by Bechtel, one of the nation's top three builders.

Indeed, some industry analysts say the handful of Japanese companies operating in the United States may hasten a shakeout among the more than 80,000 domestic contractors.

For the Japanese, the drive into America may be a necessity. Construction projects elsewhere — including those at home — have been drying up. "The Japanese are coming here because of excess capacity," said Fred Moavenzadeh, professor of engineering at the Massachusetts Institute of Technology. "They had been competing in the third world, but that market has collapsed, and now they're looking at America."

Once here, the Japanese can use their tremendous financial muscle and other ties to Japanese industry to outbid American construction companies and win multimillion-dollar contracts. They are also able to ride the crest of Japan's reputation for producing high-quality products.

"There is a perception among many Americans that if they hire a Japanese company, they'll get better quality control," said Martin J. Suomi, the director of the New Jersey-based subsidiary of Kajima, the most active Japanese construction company in the United States.

Some major American construction companies are bitter about the growing Japanese challenge, complaining that American builders are being locked out of big contracts in Japan as Japanese builders participate in projects all across America.

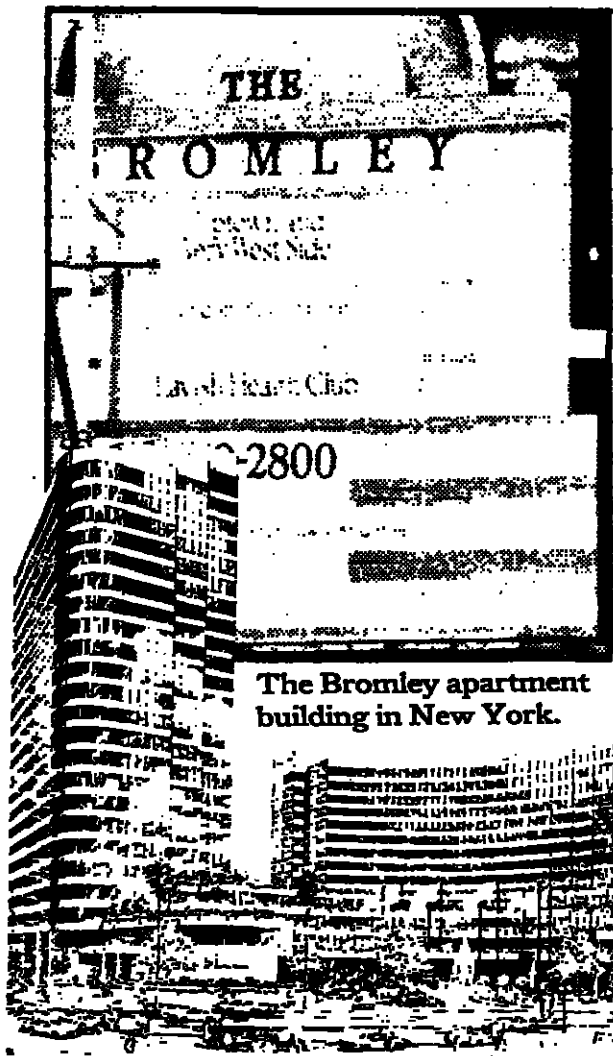
But other American builders, large and small, think differently — often because they have profited by teaming up with Japanese companies that can provide them with financial muscle and access to new technology.

"It's a two-way street," said John P. Boone, senior vice president of the Dallas-based Vantage Companies, one of the nation's largest private developers. "While they're learning about doing business here, we can tap technology from Japan."

Two weeks ago, Vantage formed a partnership with the Taisei Corporation, Japan's biggest construction company, to build light industrial projects across the country. Until now, says Mr. Boone, Vantage had constructed neither factories nor big office buildings, only structures such as warehouses. With Taisei's expertise, he says, that will change.

SOME of the Japanese construction companies have been in the United States for as long as two decades — working on relatively small projects in Hawaii and on the West Coast. Only in the past five years have they undertaken more ambitious work, primarily the building of factories and warehouses for Japanese companies setting up American operations.

Now, in a third phase that is only just beginning, Japan's construction



The Bromley apartment building in New York.



The "mole," designed by Obayashi-Gumi for the I-10 highway in Phoenix, and, left, rendering of Long Beach, Calif., project.

companies are broadening their reach, building everything from dams in Seattle to skyscrapers in New York. A number of projects, like the \$50 million tunneling contract for the I-10 highway, are even funded by Federal and local governments.

Like their big American counterparts, the major Japanese contractors' primary function generally is to organize and coordinate the design and construction of the complex jobs they undertake. For the most part, they work with American companies that, in turn, subcontract much of the work to smaller, local operations.

Kumagai Gumi, a Japanese builder with projects in New York City, has even created a new role — that of "principal contractor," taking an active role in promoting and financing a project as well as participating in its construction. As William Zeckendorf Jr., one of New York's biggest developers and a partner in at least six projects with Kumagai, explains it,

Some American builders are bitter, others are profiting.

the Japanese company "takes the contracts in its name and supervises the projects, which are built by American contractors. Kumagai also becomes the financial partner and puts money into the project."

Kumagai's American subsidiary, K.G. Land, recently decided to team up with the Zeckendorf Organization in its successful bid to build a \$384 million, 60-story office tower that will change the face of Manhattan's historic southern tip.

Kumagai is the most active of the Japanese builders in New York City, where many others refuse to work, claiming it is too corrupt. But even so, the Japanese activity in New York has been dizzying.

Kumagai's projects include a 673-unit apartment condominium, a 60-story midtown residential tower and a planned office structure on the old Madison Square Garden site on the block bounded by Eighth and Ninth Avenues and 49th and 50th Streets. It also is planning to build a \$115 million West Side building that will house 263 rental apartments and 273 hotel suites under one roof.

On Manhattan's Upper West Side, meanwhile, Hasegawa Inc., a subsidiary of the Hasegawa Komuten Company, is building The Bromley, a 23-story apartment condominium. On the Upper East Side, it is putting up the 21-story Belgavia condominium.

Now the Shimizu America Corpora-

tion is building a 20-story addition on top of an existing seven-story structure at 59th Street and Madison Avenue, a property formerly owned by Donald Trump and since sold to a rich Japanese investor.

JAPANESE construction companies certainly have both the cash and the contacts to create more and more American business. "Any major Japanese contractor has money to burn," said an officer of one leading Japanese builder, who asked not to be identified.

The companies are likely to become even more cash-laden: Recently, Tokyo eased controls on the amount of foreign real estate that Japanese pension funds and insurance companies can invest in. And banks and insurers are among the biggest shareholders in Japan's construction companies.

The construction companies also have strong ties with other Japanese corporations, since the traditional Japanese way of doing business insures "long-lived" relationships between builders and their clients.

The Japanese construction companies initially came to New York four years ago because their industrial clients — Matsushita, Toyota and others — began building plants and warehouses here.

More recently, the Toda Construction Company — Japan's seventh-largest — completed two projects for Ricoh, the copier company, in West Caldwell, N.J., and is renovating a Fairfield, Conn., building for D.S. America Inc., an American unit of a Japanese producer of specialized photographic enlargers.

"The basic technologies and know-how are the same throughout the world," said Koji Hiroshima, a Toda vice president who is stationed in New York. "Where we have a leg up is our ability to communicate with the Japanese company."

BUT Mr. Hiroshima also contends that the Japanese perform more efficiently than their American counterparts. Other Japanese construction executives agree — pointing out, for example, that Japanese construction companies have their own engineers and architects, while most American construction companies go outside for such services.

"In the United States, the architect doesn't care how much something costs," said Mr. Hiroshima. In Japan, he says, if a contractor thinks he can save the client money by using a different material or approach, the architect usually goes along. "Something that originally might have cost \$5 million might end up costing only \$4 million," he said.

And like other Japanese construction executives here, Mr. Hiroshima is convinced that even in the United States — where work is ultimately contracted out to American companies — Japanese companies work bet-

ter with subcontractors.

In Chattanooga, Tenn., for example, where Toda is building a plant for the Komatsu Tractor Factory, "we sat down and told our subcontractors that the owner wanted the job done half-a-month early, and they did it," Mr. Hiroshima said.

The point about coming in on time is echoed at North America Taisei, the unit of Taisei that has teamed up with Vantage in Dallas. "We are very good in scheduling," said Kanji Takebe, the company's director. Taisei, he says, has never been late in delivering a project.

Taisei, like Toda, drums up most of its American business from Japanese clients. But now it is helping to build projects for non-Japanese clients — small condominiums in California, for example, as well as a \$145 million hotel-and-office-tower complex in Long Beach. A key investor in the hotel venture is the Marubeni America Corporation, a huge Japanese trading company.

Mr. Takebe said Taisei wants to be still more in America. His goal is to gross \$300 million a year within the next five years.

IN the meantime, Taisei has been trying to work closely with Americans to learn the American system of contracting and building.

Last November, the company bought a 50 percent interest in a small Pittsburgh company, Geo-Con, that specializes in toxic-waste containment. The venture has worked out well for Geo-Con, says its 38-year-old president, Christopher R. Ryan. Founded seven years ago by Mr. Ryan, Geo-Con had less than \$1 million in capital and could not expand its annual sales beyond \$15 million because of difficulty in getting bonding with such a small capital base.

So Mr. Ryan began to seek a partner. "The Japanese were the easiest to deal with, they were the most above-board and the most honest," he said, adding that he also talked with an American venture capital firm and a French company.

Now, with Taisei's investment in the company, Geo-Con's capital stands at \$3 million and its ability to get bonding seems limitless, says Mr. Ryan, who is now studying Japanese.

Taisei has also taught Geo-Con some new techniques, most importantly a way to harden soft soil to avoid the need for driving deep piles. Mr. Ryan said he intends to put in a bid for work on Taisei's Long Beach hotel project, where he expects to use the new technology for the first time.

For Taisei, meanwhile, the investment in Geo-Con is an important step toward understanding the American market. Sam Kagami, one of Taisei's civil engineers, is now observing this market as a Geo-Con employee and is living in Pittsburgh. (See Box)

Obayashi, too, worked closely with its American partners in its contract for the drainage tunnels used for the I-10 highway. It formed a partnership with Shank-Artukovich, a joint venture between the Artukovich Company of Azusa, Calif., and the M.L. Shank Company, a one-man operation based in Denver.

Like Geo-Con, Shank-Artukovich was running into bonding problems. If it had won the \$50 million Arizona tunneling project without Obayashi, it would have used up its bonding capacity and would have been unable to take on additional work.

But Obayashi provided Shank-Artukovich with an even more important advantage — the ability to obtain the Japanese-made, multimillion-dollar tunneling equipment, the "mole," at an extremely low cost. That was possible because Japanese government policies enable Japanese companies to borrow at below-market interest rates when the money is used to finance exports.

"The Japanese financed it; we didn't pay a penny until the equipment was actually in service — you couldn't do that in this country," said Michael Shank.

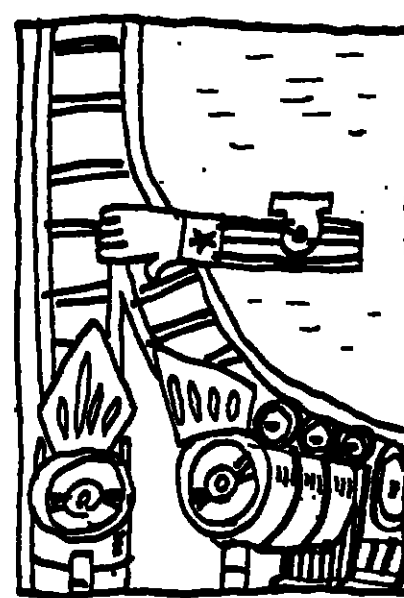
"We like the Japanese a lot," added Mr. Shank. "They're what the Americans were like 30 years ago — not overly interested in titles and business suits and all that. They just want to get the job done."

The Economy

WEEK IN BUSINESS

Santa Fe Suffers A Stunning Refusal

The big railroad merger of Santa Fe and Southern Pacific was rejected by the Interstate Commerce Commission in a surprise vote that apparently left Santa Fe without a plan of action. The commission said the \$2.6 billion merger, agreed upon in 1983, could reduce competition. Santa Fe now must divest itself of one or both railroads or come up with a new plan. It could also appeal, but analysts said that was unlikely. The rejection, which was made against recommendations by I.C.C. staffers, broke a 20-year Washington tradition of routinely approving big railroad mergers. When looked at in the context of regulatory scotching of big deals in soft drinks and close scrutiny of airline deals, the I.C.C. rejection threw into question the success of President Reagan's policy to allow big business to operate freely.



Economic growth sagged to a 1.1 percent rate in the second quarter, the lowest since the recession ended. Even the revision of first-quarter G.N.P. growth reports to 3.8 percent, from 2.9 percent, did not offset the reality that the economy is stagnating well below the Administration's projection of a 4 percent rate for the year. But the Administration has increased its estimate of overall growth in 1987, to 4.5 percent. It says inflation will be down sharply and unemployment will rise slightly.

Consumer prices rose five-tenths of 1 percent in June as energy prices soared. It was the second consecutive increase, and the biggest this year. Durable goods orders rose a healthy 2.1 percent in June, the first increase in four months. Personal income rose one-tenth of 1 percent, while spending gained six-tenths.

Ford raced to the front of the second-quarter auto profits race, posting earnings of a record \$1.06 billion, up 54.7 percent from the 1985 period. G.M.'s net, by comparison, fell 15.7 percent, to \$978 million, and Chrysler fell an unexpected 18.1 percent, to \$482.2 million. Donald E. Petersen, pictured, Ford's chairman, said the improvement came from overseas sales, Ford's financing subsidiary and new products. G.M.'s income drop was from higher marketing costs and lower interest income. Chrysler said its drop was due to lower truck sales.

Another bailout for Mexico is taking shape, although American commercial banks are still reluctant to make new loans to that debt-ridden country. A \$12 billion package is being arranged that contains surprisingly few austerity requirements for Mexico, and provides for even more money if oil prices stay depressed.

PepsiCo will buy Kentucky Fried Chicken for \$850 million from RJR Nabisco, a deal that assures Pepsi a big outlet for its soft drinks and makes it the second-largest fast-food restaurateur, after McDonald's. Adding the chicken chain gives PepsiCo, which also owns Taco Bell and Pizza Hut, broad coverage of American fast-food tastes.

Mobil is selling Container Corpora-

tion to a Morgan Stanley-Jefferson Smith group for about \$1.2 billion, including the assumption of debt. Jefferson Smith is already big in paperback.

Big oil earnings plunged. Standard Oil lost \$681 million after special restructuring charges, and said it could show a loss for the year. Amoco's earnings dropped 60.3 percent, to \$238 million; Shell dropped 35 percent, to \$219 million; Texaco dropped 39 percent, to \$185 million and Phillips slumped 93 percent. But Exxon said its net rose 50.3 percent, to \$1.12 billion, after special charges, and Mobil soared 41.6 percent because of asset sales and write-downs. Panhandle Eastern will take a \$400 million charge in settlement of a dispute with Algeria's state oil company.

Salomon's net fell 19.3 percent and E. F. Hutton lost \$4.7 million, both because of losses in bond trading. But Merrill Lynch rose 34.7 percent. Xerox fell 44.5 percent, and Wang earned \$800,000 in its fourth quarter. Sears gained 7.3 percent. T.W.A. lost \$87 million, but UAL earned \$18.5 million.

Bond prices dropped with the G.N.P. reports, with long bonds taking the biggest hits. M-1, which fell \$1 billion, is being virtually ignored. Stocks drifted upward through the 1,800 barrier, with the Dow ending the week at 1,810.04, up 32.06.

France dismissed top executives of 12 state-run companies in a sweeping housecleaning that poises the companies for sale to the private sector. Among the companies affected were Paribas, Rhone-Poulenc, Générale d'Electricité and Pechiney.

Bribery indictments accused 19 employees and a small machine shop of making or receiving payments in return for military contracts. Separately, Litton Systems pleaded guilty to overbilling the Defense Department by \$6.3 million.

Hallmark is buying 10 Spanish-language television stations in a \$301.5 million deal with First Capital.

MR. KAGAMI GOES AMERICAN

One of the first things Shuichi Kagami did when he arrived in the United States last November was to adopt a new first name. Now, settled with his wife and two daughters in Pittsburgh, Mr. Kagami is known as Sam Kagami.

"Americans find it hard to pronounce Shuichi," said the 35-year-old engineer, who has spent his entire career with the Taisei Corporation, Japan's biggest construction company. For the next three or four years, Mr. Kagami will be stationed in Pittsburgh with Geo-Con, a small American builder in which Taisei bought a 50 percent stake last fall.

Mr. Kagami believes that his new first name will make him appear more American and thus make it easier for him to achieve his objective: to learn as much as possible about the American construction industry so that he can help Taisei expand its activities in the United States.

His career began in 1974, when he joined Taisei after graduating from the Tokyo Institute of Technology. Almost a decade later, in 1983, Taisei sent Mr. Kagami to New York City, where he was a visiting scholar at Columbia University, focusing on the safety of nuclear power plants. He spent a little

more than a year at Columbia and returned home, only to be sent to Geo-Con last fall.

Currently, Mr. Kagami is working in Geo-Con's hazardous waste group, where he evaluates sites and prepares costs. He says his biggest surprise has been the American approach to work.

"In Japan, we almost always do things as a group, but here the responsibility falls on one person," he said. "The results come to myself," he added. "It's very clear whether what I have done is good or not."

In Mr. Kagami's view, the American approach is superior to that of the Japanese. "If we compare the two countries over a short time, Japan is now more competitive than the United States in some areas," he said. "But if we consider the long term, I'm not sure Japan will be superior."



The New York Times/Fred Vach

Sam Kagami

The New York Times

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Which Side Are We On?

Like a complacent sleepwalker, oblivious to evil and isolated by a yea-saying staff, Ronald Reagan risks failing the greatest moral test of his Presidency: South Africa.

The problem is not his opposition to sanctions against that nation's racist regime. On the question of means, there is ample room for reasoned argument. But there should be no argument, doubt or cavil about right and wrong in South Africa or about which side America is on. As Congress will shortly demonstrate, on this issue America is not on the President's side.

Having failed over five long years to move South Africa's white minority regime toward democracy, the President had announced, under pressure from Congress, one more policy reassessment. What did it produce? An ounce of eloquence against apartheid and a pound of new comfort for the oppressive government it sustains.

More than comfort, really, a patronizing assurance that comfortable America knows better what is good for South Africa's blacks than they do. It was as if Lincoln had warned the slaves that they were better off than they knew, and that their masters had to be indulged because they had a better grasp of global realities.

Worse still, Mr. Reagan defined America's strategic interests in terms only of minerals and sea lanes, ranking that selfish concern ahead of the increasingly bloody evils of oppressive, state-sponsored racism.

It was a calamitous miscalculation by the White House, as was swiftly revealed. "To hell with the West," said Bishop Desmond Tutu, the soul of black moderation, virtually inviting the Soviet influence that Mr. Reagan was at such pains to contest. If the Bishop and other black leaders are left without hope of Western pressure against the white re-

gime, what ways are left for them? The answer is obvious and their children clamor for it: brutal and indiscriminate violence. President Reagan practically invites what he professes to abhor.

The danger now is that both black and white South Africans will conclude that Mr. Reagan spoke for all Americans. With every such callous message, blacks will grow more desperate while the white regime grows more obstinate. If Mr. Reagan resists the views even of the majority of his own party in Congress; if he sets no limits on his patience and concern for minerals, why should that regime take seriously his desire for a "timetable" to end apartheid?

Mr. Reagan missed the issue, missed the moment and missed his chance to influence South Africa's policy. He will not speak for America until he stands foursquare with a disfranchised majority denied the most basic rights. It is those ugly deprivations that create the American protest and pressure against Pretoria.

They cannot be wished away. The President may choose not to manage or lead them, but they will erupt in Congress, on campus, in board rooms and at the polls. The pressures will be less tidy and perhaps less effective, but they will show what Americans think of racist cruelty, no matter how the President represents American values.

No one should be sanguine about the effect of such pressures. As Congress now moves to repudiate Mr. Reagan, and the Commonwealth nations drag Prime Minister Thatcher toward sanctions, no one should underestimate Pretoria's devious resistance to democracy or overrate the chances of averting violence. But perhaps there is still time to open the jail door for an aging generation of black leaders who would rather negotiate than spill blood for freedom. In success or failure, America belongs on their side.

The Lives of Averell Harriman

Averell Harriman could have devoted his life to his beloved polo and in other ways squandered the millions he inherited from his railroad-baron father. But if some Americans were born richer, none have been less idle.

As a leading diplomat, entrepreneur, politician and philanthropist, he was in the thick of things for an astonishing eight decades. Having dealt with Stalin, he became above all a voice for sanity in coping with that dictator's successors. And still he became America's fourth-ranking player at polo.

Mr. Harriman's wealth gave him independence and patrician self-assurance, qualities that contributed to his success as a gray eminence under four Democratic Presidents. He was also aloof and a dull public speaker, and failed, despite election to one term as Governor of New York, in two bids for the Presidency. So at 69 he undertook a fresh career as an Assistant Secretary in President Kennedy's State Department, running younger New Frontiersmen ragged.

He became something of a legend in what others would call the advanced years, as negotiator of the Laos accords, of the landmark treaty banning atmospheric nuclear tests and in the first probes for

peace with North Vietnam. His great influence had been established in World War II by his clear-headed prescience about the aggressive expansion of Stalin's empire. Precisely because he had no illusions about Moscow and carried that armor in American politics, he could take the lead in efforts to curb the arms race and to negotiate with other adversaries.

In an age that overrates charisma, Mr. Harriman's dogged virtues stood out. He had respect for intelligence and a shrewd eye for talent. If scarcely a great Governor, he nevertheless assembled an impressive team, including talented rookies like Daniel Patrick Moynihan and the late Jonathan Bingham.

He generously donated Arden House, his boyhood home north of New York City, to Columbia University, and most recently gave the university new resources to finance the rebuilding of its Russian Institute.

To the end, this well-born capitalist waged a compassionate politics and feared ignorant passion in the global competition with Communism. He served when he could have played and he served abundantly.

Thorns Have Their Uses

This is high season for thorns, what with blackberries slashing greedy pickers, cat brier tearing the skin of innocent passers-by and roses jabbing at unwary admirers. "No rose without its thorn," a victim might say, being poetic and also inaccurate.

A rose does not have thorns; it has prickles. To a botanist, this difference is significant. A thorn is a protuberance that grows out of the inner wood of a stem or bough, as a branch does, while a prickle grows out of the bark. The distinction is lost on a layman. A thorn stings as sharply as a prickle, a prickle hurts as much as a thorn.

Nature uses thorns and prickles as protection for plants, to keep animals from eating the leaves. Man uses them as metaphors. "A thorn in the flesh," explains St. Paul, calling it an agent of Satan. "Leave her to heaven," says Hamlet's Ghost

of the faithless Queen, "and to those thorns that in her bosom lodge to prick and sting her." Philosophical naturalists, who see thorns as buds trying vainly to be branches, find parables in their frustration. "How many thorns of human nature," wrote John Burroughs, "are bristling conceits, buds of promise grown sharp for want of congenial climate." So some people are described as prickly, William Buckley, for instance, and others are called thorny, like Senator Robert Dole.

This should give pause to misguided horticulturalists who are trying to breed the barbs out of blackberries and roses. It would, of course, make the plants more amenable. But a rose — and Bill Buckley — would be vulnerable without prickles. And could the blackberry sting if it weren't thorny? Could Bob Dole?

Topics

Green-Beans, Red Dawn

Canned Security

Once, not many years ago, before it was possible to eat today what was growing outside Florence last night, the American cupboard was a sight to behold. Just think of the colors.

We can see it now, with the cans of beans next to the cans of corn next to the cans of string beans. Oh, the red, the yellow and the green of it!

We can see the cans of cling peaches coiled up to the cans of Bartlett pears, and we can see ourselves stuffing the fruit with cream cheese, setting it forth on iceberg lettuce and sprinkling it with chopped dates. We can see the cans of fruit salad we ladled over so many pound cakes, and the cans of cherries in which we drowned so many roast ducks.

We remember when security was a wallful of Del Monte and a really good

can opener. Today, "the coming facility is becoming like the dinosaur, an extinct species." So says Al Spina of Tri-Valley, one of the 26 California canneries that have closed in the last five years. Americans want fresh food; they want new food, and they want food that's good for them.

Even so, millions of Americans still derive comfort from canned, creamed corn they cannot find on the cob. They prefer the canned pea to the fresh pea and they know that a beet is a beet is a beet no matter what's happened to it. For their sake, some canneries must live.

Peace and Quiet

Early one recent Saturday morning — 8:30, to be exact — the penetrating staccato of pneumatic drills broke the

silence of Manhattan's East 67th Street. Shirtless workmen were tearing up the sidewalk in front of the Soviet Union's United Nations mission. Neighbors hadn't noticed anything amiss with the two patches that were being replaced at the entrances to the building and its underground garage. No one could figure out why the work was needed — and at such an unneighborly hour.

Russians, who work a five-and-a-half-day week, obviously don't share America's Saturday habit of sleeping in. But one aroused neighbor struck back. Before the cement could dry, he scratched into it the symbol of the peace movement, an inverted Y in a circle. It remains, outside the mission's door, a permanent plea for harmony forever — and especially on Saturday mornings.

Letters

Criticizing U.S. on South Africa Needs No Apology

To the Editor:

"Zimbabwe: Ugly Words, Good Deeds" (editorial, July 18), in which you call upon Prime Minister Robert Mugabe of Zimbabwe to apologize to the United States for remarks made about the Reagan Administration's South Africa policy at a party at the U.S. Embassy in Harare with former President Jimmy Carter present, adds to the diversionary tactics of the White House, where there is joy when citizens debate petty squabbles rather than substantive issues.

Prime Minister Mugabe's readiness to apologize to Mr. Carter is more than sufficient. The criticism by David Karimazira, a member of Mr. Mugabe's government, of U.S. policy in southern Africa was well deserved, as noted in similar speeches at Fourth of July observances in Tanzania and Zambia, which were ignored by the press.

With no apology, the Reagan Administration has pursued a policy of destructive engagement, providing the economic and diplomatic support that encouraged South Africa's oppression of blacks within and extensive sanctions against independent countries beyond its borders at a six-year cost of \$16 billion and 5 million displaced persons.

With no apology, the Administration carried out a "surgical strike" in Libya, killing African children.

With no apology, President Reagan announced open support of Jonas Savimbi and Unita, in continuing military actions within sovereign Angola, even as the Southern Africa Development Coordination Conference met in Harare.

With no apology, David C. Miller Jr., retiring as United States Ambassador to Zimbabwe, left the evening before Zimbabwe's sixth independence celebrations last April 18, after threatening cuts in U.S. assistance.

With no apology, Edward G. Lanpher, the U.S. chargé d'affaires reportedly announced plans to counter Zimbabwean actions in his new role as the State Department's southern African bureau chief in Washington.

Yes, there will be progressively more provocative denunciations of Western policies for all international aid donors, including the U.S.

As Peter Mmusi, chairman of the development conference's council of ministers, so aptly put it, "The abolition of apartheid will be the greatest single contribution which could be made to the economic development of this region." Based upon my work as the Oxford America representative in Zimbabwe — involved in strengthening grass-roots agricultural cooperatives among the poorest of the poor — I can wholeheartedly support Mr. Mmusi's plea. It was a very appropriate

message in celebration of American independence and of our interdependence with the people of Zimbabwe. WARREN DAY
Boston, July 17, 1986

Double Standard

To the Editor:

"Aid to Zimbabwe Suspended by U.S." (news story, July 10) provides a revealing comparison to the Reagan Administration's policy toward South Africa. The apartheid regime declares martial law, shoots children on the streets and mounts attacks on neighboring countries. In response, the White House issues timid warnings while arguing that real action to pressure Pretoria would not have the desired effect.

Yet a mere speech by a Zimbabwean official criticizing U.S. foreign policy brings the immediate suspension of \$13.5 million in U.S. economic aid. We hear no arguments about the black Zimbabweans who will lose jobs or about how the United States will lose influence if we cut back on our involvement in Zimbabwe or about how economic punishment will only cause the Zimbabwean Government to be more intransigent.

Why the double standard, Mr. Reagan? KEVIN DANAHAR
San Francisco, July 10, 1986

The writer is a research analyst with the Institute for Food and Development Policy.

For Women, a Central Role in Computers

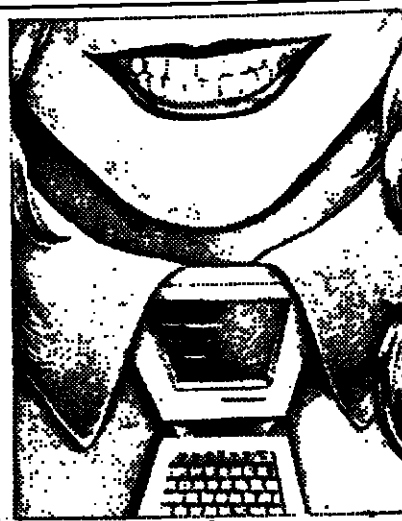
To the Editor:

The "Peripherals" column on women and computers (Science Times, June 24) has some discriminatory implications. Computer science is one of the only modern sciences that clearly includes women among its most significant pioneers. To name a few: Grace M. Hopper helped develop the first electronic computing systems and the Cobol language; Jean E. Sammet has done historic work in developing and chronicling programming languages, and Frances Allen did early work in computer language translation.

Research in the economics of software development (Morrissey & Wu) shows that women have always been a significant fraction of computer professionals (programmers-systems analysts), 20 percent to 30 percent. This exceeds all other professional and technical occupations except teaching and nursing. In the computing professions, women earn dollar for dollar what their male counterparts earn, compared with the 1985 ratio across the work force of 64 cents to the dollar.

Recent research (Lim & Slynge) demonstrates that neither age nor sex correlates significantly with computer anxiety. The belief that women will have less affinity for computing is more myth than reality.

Not only have women made significant contributions to the computing disciplines, but there is also every reason to believe that the full power of their contribution is yet to be felt. So far, computers have been used most often to automate business as usual. This automation syndrome is rigid, lacking in imagination and dehumanizing. Many have pointed to the need for creative exploration: computers



John Winter Hale

have the potential of altering the economics of the work place and the cultural underpinnings of society.

I have no argument with the Women's Computer Literacy Project, mentioned in the column (and have supported it). Projects such as this, which help women learn to use computers, have a place because there are more women than men entering the work force after a sustained absence; women hold the majority of poorly paid clerical jobs; computers are now a clear presence in the work place and can provide job opportunities and creative satisfaction for women.

The point is not that women need extra help, but that our nation in the technological age may well depend upon whether or not women, as well as men, are listened to as they explore the computing disciplines on their own terms.

SUSAN M. MERRITT
Dean, School of Computer Science
Pace University
White Plains, N.Y., July 9, 1986

Policy Gap

To the Editor:

When the Assistant Secretary of State for African Affairs, Chester A. Crocker, says the United States has "marginal influence" in South African affairs (news story, July 11), he may fool the casual observer. But others will react dubiously, seeing that statement for what it is: an attempt to cover up lack of policy, an insistence on denying past failures.

The truth is, and Mr. Crocker knows it, that the United States has extensive influence in South Africa, economic and otherwise. U.S. investments, while employing less than 1 percent of black South Africans, control over 70 percent of the computer market, 45 percent of the oil market and over 30 percent of the automotive market, which together constitute the jugular vein of the police state.

The Administration's licensing for export to South Africa of over \$300 million in specially controlled equipment with nuclear and military applications has also been very important to Pretoria, as have billions of dollars in international loans and intelligence-information sharing. The sheer magnitude of this relationship is what distinguishes it from our relationship with other African countries.

That is why virtually every independent study and survey on foreign presence in South Africa has pointed to its strengthening effect on apartheid and the corresponding deprivation for South African blacks. It is why Pretoria reacts with such fear to sanctions, to reduced external support.

So, Mr. Crocker should know that, when he attempts to deny this, he only makes a policy that is already lacking in credibility even less credible.

JOHN CONYERS JR.
Member of Congress, 1st Dist., Mich.
Washington, July 15, 1986

The Old Ball Game

To the Editor:

I enjoyed your July 12 article on baseball in New York City but would offer two corrections: Albert G. Spalding, as far as I can learn, never called himself Goodwill, his middle name.

James Creighton, credited, you say, with inventing the curve ball, didn't invent it and probably never threw one. He invented the trick of "cocking the wrist before delivering an underhand pitch, giving the ball "lifting" speed. He became a martyr to the game when he incurred a fatal injury in the very act of completing a home run. William Arthur (Candy) Cummings is credited with inventing the curve ball. He played for Hartford and Cincinnati.

ROBERT SMITH
Lenox, Mass., July 17, 1986
The writer is author of "Baseball."

We Can Never Ignore Disturbed, Violent Youths

To the Editor:

All the publicity that followed the shooting of a police officer, Steven McDonald, by Shavod Jones has brought the issue of violent, disturbed (mad and bad) youngsters to the fore again as in Jane Perlez's article on finding places to treat these young people (news story, July 20). How disheartening to see, over and over again, that it takes such an extreme act to raise society's consciousness.

The article refers to a special program that had been run jointly by the Office of Mental Health and the Division for Youth. This program was promising in its approach to treating such youths. It was closed "for budgetary reasons" two years ago. It is tragic that programs such as this, begun because of similar publicity

about youths like Shavod Jones, was allowed to die because of the priorities of our society. These juveniles do not have a constituency. They rarely vote. They are not likeable. They resist treatment and rebuff our concern.

A program such as the one in the Bronx is expensive. Results cannot be expected overnight. It requires dedication and cooperation among different agencies, who have to set aside considerations of "turf" in the service of a common goal. But this is the only direction to take if we acknowledge that the alternative, locking these youths up and throwing away the key, is not only unpalatable, but even more expensive.

MARILYN SEIDE
President, Board of Visitors
Manhattan Children's Psychiatric Center
New York, July 21, 1986

Tax Reform Corrects Inequities, but Doesn't Help the Poor Much

To the Editor:

President Reagan's portrayal of proposed tax reform in a speech in Dothan, Ala., as the "biggest antipoverty program in our history" (Business Day, July 11) is a statement of hyperbole that cannot go unchallenged. While we should all applaud removing the poor from the tax rolls (an objective New York State essentially achieved this year), the size and distribution of the tax benefits to the poor under Federal tax reform deflate any claim that they go beyond correcting an injustice under the current tax code. (A family of four at the poverty line currently pays over 10 percent of its income in Federal taxes compared with under 2 percent in 1975.)

Under the Senate tax plan, the average annual tax reduction for low-income taxpayers is merely \$40. This cut does little to offset several years of spending reductions in such critical areas as housing, employment, training, food programs, legal assistance and other antipoverty programs. Furthermore, the nonworking poor (espe-

cially the elderly and many female-headed families), who now pay little or no tax anyway, will not benefit from this tax relief. Finally, Social Security taxes have steadily risen and been a major source of tax increases on the poor, and reform plans provide no direct relief from this Federal tax.

Giving credit where it is due, increasing the standard deduction and personal exemptions is a positive, though inefficient way to remove the poor from the tax rolls. (These increases benefit high-income taxpayers more than the poor.) The enriched earned-income credit is an especially desirable way to improve the finances of the working poor because as a refundable credit it can indirectly offset Social Security taxes.

There are no substitutes, however, for more direct relief. The President and Congress would do well to pursue policies designed to help America's 34 million poor persons (four million more than in 1980). A pro-family approach to poverty as well as tax reform would particularly seek to redress a situation in which one out of every three children (two-thirds of all the poor) are in poverty.

As tax reform proceeds at the Federal level, it should be kept in perspective: a long-overdue correction of inequities in the tax code. It is no panacea for social ills and should not be used as an excuse to avoid addressing a growing and shameful problem.

JOHN J. HUDDER
Castleton, N.Y., July 15, 1986

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مكتباتنا للصلح

WASHINGTON
James RestonHarriman:
A
Tribute

Averell Harriman lived long enough to fight the central political battles of the age and still retain the respect and admiration of both his colleagues and his critics.

For more than half a century, as Governor of New York, Secretary of Commerce, Ambassador to Great Britain and the Soviet Union — to mention only a few of his responsibilities — he was a model of the public servant, ranking in the memory of this capital with George Catlett Marshall, Dean Acheson, George Kennan and a few others who have devoted their lives to the ideals of the Republic.

He was both a politician and a statesman, with qualities of character that enabled him to fight for his party without losing sight of the larger interests of the nation. Unlike so many of his contemporaries, he knew that simplicity and concentration produce lucidity and decision.

Thus, he devoted most of his public life to the great struggles of the economic Depression, the fight against Fascism in the Second World War and the tangles of U.S.-Soviet relations in the postwar atomic age.

The issue of Soviet-American relations was his enduring concern over the last 40 years, and even at the end he established a center for Soviet studies at Columbia University to keep the cold war, as he saw it, in historical perspective.

It should probably be noted that he did not follow the prevailing fashions of his class and time. He came out of a great conservative railroad tradition, but joined Franklin Roosevelt's New Deal in what he regarded as an essential crusade to modify and preserve the capitalist system.

Likewise, he came out of his stewardship in Moscow, as Mr. Kennan

He was
a model
of the
public servant

did, with a clear determination to contain the spread of Soviet power and Communist influence, though always with the conviction that war between these two atomic giants must and could be avoided.

He worried about the tendency among his fellow countrymen to think of the Soviet leaders as comparable to the Nazis. Even in his declining years, he was presiding with his wife over seminars in his Georgetown house where men and women of different political and philosophical persuasions debated the issues of the arms race.

It irritated him to hear it said, on the one hand, that the Soviet Union was so strong as to threaten the existence of the United States, and on the other, that it existed mainly by borrowing and stealing modern technology and therefore was so weak that it would be overwhelmed by the rush of science in the computer age.

Not long before he died, his wife, Pamela, formerly the daughter-in-law of Winston Churchill, published one of his favorite Churchillian passages, in which Churchill had proposed that Communism should be "strangled in its cradle," and had warned the world against Moscow's imperialistic designs and materialistic philosophy. Nevertheless, like Tocqueville, Mr. Harriman believed that the United States and the Soviet Union had emerged as the presiding giants of the world and had to keep negotiating until they found some common ground in their common interest.

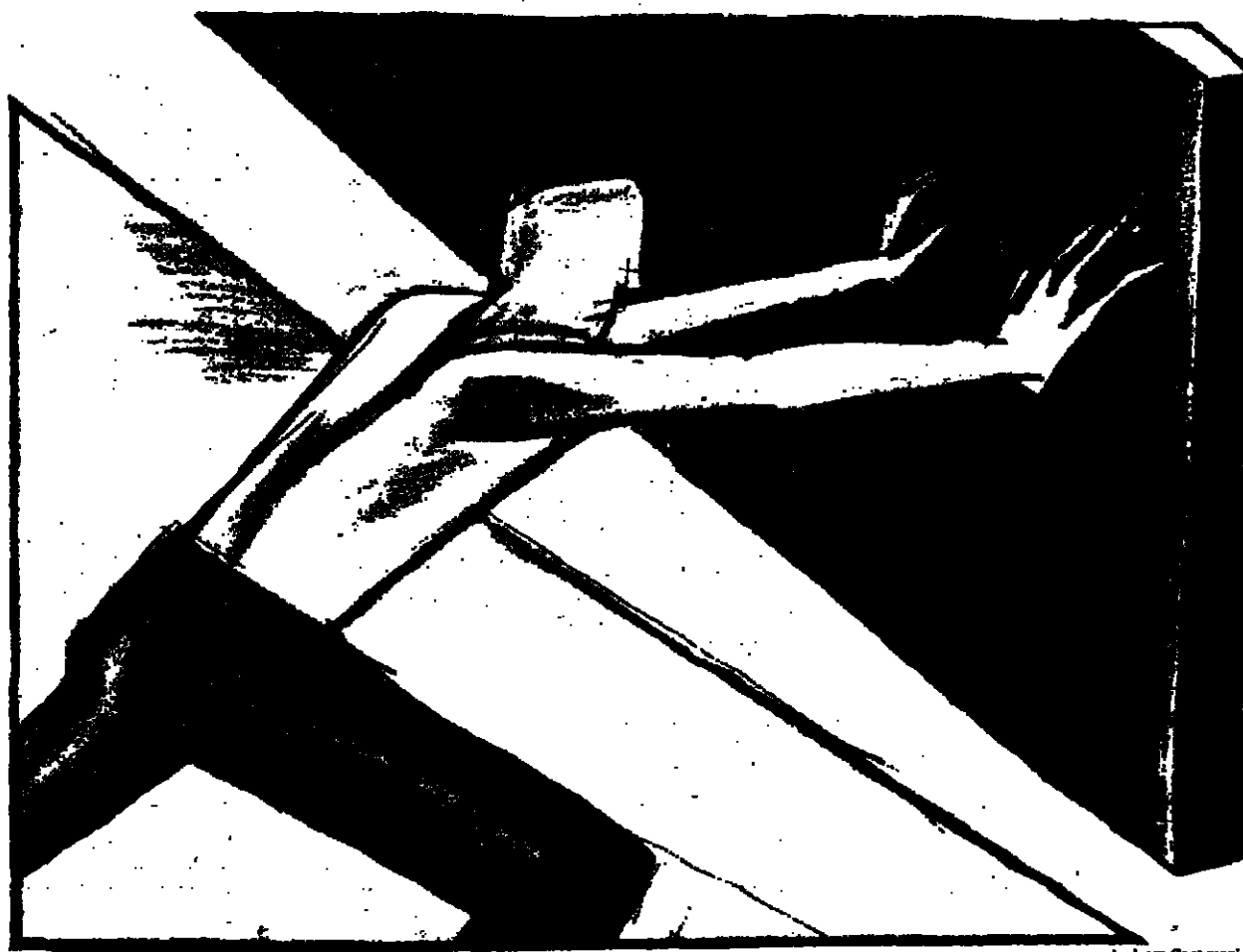
If Averell Harriman's eloquence had matched his thought, he might have been chosen to represent his party in its bid for the Presidency. But it would be a mistake to say that he was a pioneer in the ideas of his age. He was a servant and a collector of the best thought he could find. Though fiercely partisan, he never forgot that after the political battles were over, those engaged in them would have to go on working and living together.

This is a rare quality in Washington. For all too often, officials here cannot bear public criticism without private resentment. Averell Harriman was not like that. He spoke his mind and when his dander was up, he could be almost recklessly frank; but his storms of thunder and lightning soon passed and he could forgive even the press for what he often regarded as its impudent condemnation of his ideas.

In short, he was a gentleman who did not apologize for his old-fashioned concept of noblesse oblige. He was particularly fond of Walter Lippmann's definition of the ideal standards of a public man, and tried to live by them.

"Those in high places," Lippmann wrote shortly before Mr. Harriman came to Washington, "are more than the administrators of government bureaus. They are more than the writers of laws. They are the custodians of a nation's ideals, of the beliefs it cherishes, of its permanent hopes, of the faith which makes a nation out of a mere aggregation of individuals."

When we have said that, it will be understood why those who knew Averell Harriman best admired him most, and why he will be remembered here and in Albany as a symbol of the best in our public service. □

A Letter to Bishop Tutu:
'Don't Give Up on Us Yet'

By Andrew Young

ATLANTA
Bishop Desmond M. Tutu
Cape Town, South Africa
Dear Bishop Tutu,

Don't give up on us yet. America has seldom been led by its Presidents. We are truly a Government of the people and by the people, even when we are not always for the people.

We are also a nation that God still seems able to move in mysterious ways. When we are silent, the very stones of our heritage cry out on behalf of justice, and often we must flounder and fall back before we are able to go forward. We are notorious for our moral brinkmanship.

Because I have lived and suffered with this complex system of ours for so long, I've learned to listen with my head and heart as well as my ears. I not only hear what is said more clearly, but I've learned to live with the disappointment of messages directed toward everyone but those who are victims of the problem. And so President Reagan's speech on South Africa, which I believe was a turning point, is not only heard by you and the other suffering South Africans — black, white, colored and Asian — who so desperately long for strong pressures from the United States to head off the pending holocaust in your country.

President Reagan refused to commit to sanctions, and that was a disappointment to us all. But he did commit to the agenda of the Commonwealth Eminent Persons Group — including its call for the elimination of apartheid and for the release of all political prisoners. As I have become used to celebrating minimum progress by so great a power, I must celebrate the agreement on objectives as significant. For Ronald Reagan to recognize the need to un-ban black political leadership and release Nelson Mandela is an important commitment.

But while the President and I now agree about goals, we still disagree on our basic understanding of the problem and on the tactics we would use to achieve these now agreed upon objectives.

A large part of the problem is the way that President Reagan has staked his hopes on President P.W. Botha's willingness and ability to be reasonable.

I have watched a number of Americans make precisely this mistake in their dealings with Southern governors resisting desegregation. I watched President Dwight D. Eisenhower make the same mistaken judgment of Gov. Orville Faubus of Arkansas in 1958, and then saw Attorney General Robert F. Kennedy take the same gamble with Gov. Ross Barnett of Mississippi and Gov. George Wallace of Alabama. In each instance, the men in Washington naively believed that reason alone could produce change. Only when their hopes were dashed on the rocky shores of racist reality were they forced to come back and apply the power of their office to the situation.

I can't imagine President Botha being able to change. He doesn't have either the political power or moral authority to effect very much change. He needs the outside pressure of the international community even to do those things that he knows he must do.

That's why Congress, which is much more attuned to the moral outrage of the American people and also up for re-election in a few months, is likely to act independently of the President. Even the Republicans will probably go along, for they must save their party from being dragged down with the inevitable demise of apartheid.

Americans understand racism. We have lived through our own racial trials and to some extent still must struggle with the destructive potential of racism in our midst. President Reagan was in Hollywood during those struggles, but Republicans, North and South, played an important role in our transition under law to a more just society. That is why the Senate will probably vote some sanctions soon.

Andrew Young, Mayor of Atlanta, was chief delegate to the United Nations during the Carter Administration.

The British Government may also relent soon, backing away from Prime Minister Margaret Thatcher's refusal to impose sanctions. Mrs. Thatcher has argued that sanctions would be "immoral" because of the suffering they would impose on South African blacks. But like Mr. Reagan, she is under great pressure — in her case, from the Commonwealth and the Queen — to resolve this moral dilemma and press ahead with some sort of economic measures. That is why she dispatched her Foreign Secretary, Geoffrey Howe, to South Africa and why she made a commitment to the European Community to take stronger measures if British diplomacy can produce no movement in the 90 days after July 1.

The sanctions likely to be imposed by the United States — they may well be voted by the Senate in the next few weeks — will probably be moderate. They will probably seem totally inadequate. But I plead with you and your countrymen to understand why this is so — to recognize that sanctions are effective only if they can be enforced and relaxed.

Sanctions must be seen as what they are — as a tactic, not an end in themselves. I have always feared that South Africa could actually get stronger and more intransigent under an oil embargo. Nor are such sanctions likely to be very effective. Oil shipments are almost impossible to track, and there would almost certainly be leaks all along the southern African coast. As for total economic sanctions, they would probably be honored only in breach; they could only be enforced with an extensive naval blockade, which is hardly likely in today's world.

Our experience in the late 1960's and early 1970's with sanctions

In the wake
of the Reagan
speech

against Rhodesia bear this out to a great extent. All the pressure to impose sanctions was on the United States and Europe, but Japanese, Brazilian, Argentine, Arab and Israeli goods, money and licenses continued to make their way into Salisbury to the end. The Rhodesians relied on import substitution and widespread leaks of valuable goods and services, until in the end they had an even stronger domestic economy, and the sanctions hardly influenced their politics at all.

Such would not be the case with an airline embargo against South Africa, especially one that was also backed by the United Nations Security Council and monitored by the International Civil Aeronautics Organization. Such an embargo of air travel — all airlines — would force South Africans to get to know their neighbors on a more equal footing and might strengthen their political and social ties to Zimbabwe, Zambia, Botswana, Mozambique and even Lesotho, for they would drive or go by train to these neighboring states in order to travel out into the world. Nor would any poor black citizens of South Africa be hurt by such a sanction.

These sanctions are not as moderate as they seem. They would actually be more powerful than harsher measures because they would be enforceable. They could be monitored and ended whenever there was a reasonable response from the South African Government.

It would be ideal if they were voted in the next few weeks but did not become effective until December, for that would give President Botha a chance to respond to the agenda put forward by President Reagan and the British Foreign Secretary. It would also force white South Africans to cancel their Christmas travel plans and begin to face the consequences of their isolation from Europe and America.

As you well know, most South African whites set considerable store by

the way that they are able to travel the entire world with the wealth derived from the exploitation of the land and people of their country. Closing the door of easy access to the pleasures, freedom and culture of the world would be a serious threat to this way of life.

Maybe I am grabbing at straws, but my experience has been that change comes when we least expect it. The darkest hour is just before the dawn. I think of the hymn often quoted by the Rev. Martin Luther King Jr.: "Truth forever on the scaffold, wrong forever on the throne, yet that scaffold sways the future, for behind the dim unknown standeth God within the shadows, keeping watch above his own."

As you approach your investiture as archbishop — and spiritual leader of our time — please know that the Lord in whose name you speak is still ruler of all men, women and nations, and that the victory over evil has been won. Our job now is to incarnate that victory in Johannesburg, Soweto, Washington and Atlanta, and even in KwaZulu.

FOREIGN AFFAIRS | Flora Lewis

No Mideast Glimmer

It is hard to see how the Israeli-Moroccan summit can have advanced anything constructive in the Middle East. The timing was obviously in connection with internal Israeli politics.

There is a sense of intense urgency because in 10 weeks, Israeli Prime Minister Shimon Peres has committed to turn his office over to the Likud's Yitzhak Shamir, who is determined not to withdraw from any occupied territories and seems unwilling to make any concessions for peace.

King Hussein of Jordan is known to feel that the last chance for agreement is rapidly slipping away. King Hassan of Morocco would have liked to be the Arab leader who broke the impasse and opened the way for negotiations. Mr. Peres would have liked a reason to say a crucial new opportunity had arisen, justifying elections instead of the scheduled transfer of power.

Jews of Moroccan origin, who habitually tend to vote Likud, now comprise 25 to 30 percent of the Israeli electorate. Many retain a warm affection for King Hassan, and if the meeting had produced a proposal with his endorsement, Mr. Peres might have been able to win a new mandate of his own.

But the result was nil. King Hassan posed the two central issues, return of territory and talks with the P.L.O. Mr. Peres did not budge on either one, and their talks nearly broke up after the first session. The U.S. reportedly intervened, persuading the King to agree to a joint communiqué so as to avoid the appearance of total failure.

Word available here was that Mr. Peres told the King he didn't see what point there would be in agreeing to deal with the P.L.O. since it is so divided, that he didn't even know which P.L.O. the Arabs had in mind. The King said the Israelis could leave it up to the P.L.O. to sort themselves out, putting responsibility for an answer on them.

That was good advice. It would have been agile diplomacy, but Mr. Peres couldn't bring himself to accept it. If he had, Mr. Shamir would doubtless have accused him of overstepping his Cabinet mandate, though it is questionable whether Mr. Shamir would have gone so far as to break the coalition and take the onus for forcing an election when he is so near to the prize of the prime ministership.

So the much-debated peace process remains paralyzed. The Palestinians

Do terms
exist
for peace?

and the Arabs are hopelessly splintered and can agree only on negatives. The Israelis are torn. Meanwhile, history moves on and a basis for accord that might have been acceptable recedes out of reach with the passage of events.

Israeli settlements in the West Bank expand and take root. The arms race continues. Fanatic fundamentalism spreads on both sides, narrowing the possibilities for maneuver. There is no sense of war coming in the near future, but neither is there any sense of another road ahead.

There have been far-reaching changes in the Middle East in the two generations since the establishment of the Jewish state, but sadly the two sides almost never move in step. It is true that a publicized summit between Israel and another Arab state, after Egypt, is a step in burying the Arab myth of Israel's nonexistence, but that is no longer the issue. Now it is whether terms exist for peace, or whether another war will become inevitable.

Jordan's King is in Syria again, trying to patch up Syrian-Iraqi relations and to strengthen his own flank. It now seems that Syria's recent tentative moves toward some reconciliation with Iraq were a ploy to frighten Iran into renewing cut-rate oil deliveries, not a real change of course. But King Hussein is desperately seeking diplomatic reinforcement after his break with the P.L.O.'s Yasir Arafat.

There is a flat contradiction between the Israeli scenario for talks with Jordan that would include Palestinians not beholden to the P.L.O., and King Hussein's approach to Damascus. If anything, it implies that Jordan will be influenced by Syria's rejectionist stand.

Vice President George Bush has started a tour that will take him to Israel, Jordan, Egypt and Morocco, advertised to "assess the prospects for peace." It is an occasion for amiability, but nothing more can be expected beyond the usual requests for more U.S. aid. Despite the scurrying around, the outlook is grim. □

ARE NUCLEAR
WEAPONS KILLING
US ALREADY?

Even if we never use the bomb again, with the continued production of nuclear weapons we are poisoning ourselves with radioactivity leaking into the earth, the water, and the air.

The Hanford Nuclear Reservation in southeast Washington State is one of the largest and oldest nuclear facilities. Hanford produced the plutonium for Trinity, the world's first nuclear bomb, and for thousands of nuclear weapons since.

Much of Hanford's 570 square miles has become thoroughly contaminated by radioactive and chemical waste. By 1982, 12 million cubic meters of the nuclear reservation's soil had become so contaminated with plutonium that the U.S. Department of Energy's (DOE) own guidelines required that the soil be transferred to an underground waste facility. Rather than dispose of the contaminated soil, the DOE raised by ten times its own guidelines for allowable plutonium concentrations in the soil. With the stroke of a pen, plutonium-contaminated waste became low-level waste, and plutonium continues to accumulate in Hanford's soil.

In 1984, a Washington State official estimated the amount of plutonium in Hanford's defense waste to be approximately 3,030 pounds. If a mere teaspoon of plutonium, about three ounces, were spread among the entire population of the earth, it would exceed the DOE's "permissible" lifetime body-burden limits for all five billion of us.

Radioactively and chemically contaminated ground water is seeping from the Hanford Reservation into the Columbia River. Although Hanford is 300 miles inland, by 1978 radioactivity from its plutonium reactors had been detected on the Pacific continental shelf from southern Canada to northern California.

Over the past four decades Hanford has released into the atmosphere over 1 million curies of thyroid-seeking iodine-131, a known carcinogen. Until this year, these releases were never announced to the American public. On December 2, 1949, Hanford officials intentionally released 5 thousand curies of iodine-131 in a "planned experiment," details of which are still being withheld. By comparison, the Three Mile Island accident released an estimated 15 curies.

An independent panel has studied Hanford's 23-year-old N-Reactor and concludes that "the similarities between Chernobyl and Hanford are substantial and make a Chernobyl-type accident at Hanford a distinct possibility, while the differences tend in general to make the N-Reactor more, rather than less, dangerous than its Soviet counterpart."

The silent, gradual radioactive contamination of the earth already threatens us with disease and potential genetic destruction — dangers that may, in the end, be as harmful as nuclear war itself.

These and many other facts about the Hanford Nuclear Reservation are being brought out and publicized by the Hanford Education Action League (HEAL), a group of research scientists, investigative reporters, and concerned citizens in Washington State.

HEAL is supported by the Peace Development Fund and the Pacific Peace Fund, public foundations that raise money and grant it to hundreds of citizen groups throughout the U.S. working for a safe and peaceful world. We urge you to become fully informed about all the risks of producing, deploying, and potentially using nuclear weapons, and we invite you to support the Funds' effort to bring the nuclear arms race to a halt. You can help make a difference.

For more information and suggestions for how you can help, please write:

Margaret E. Gage, Executive Director

P.O. Box 270
Amherst, MA 01004
413-256-0216

Your tax-deductible contribution is welcomed. Checks should be made out to the Peace Development Fund

Arts & Leisure

Nureyev's Productions Showcase The Dancers

By ANNA KISSELGOFF

Dancers, not ballets, have always come first at the Paris Opera Ballet. One need only recall the two most famous ballets created at the Opera to prove the point. "La Sylphide" was composed in 1832 for Marie Taglioni. "Giselle" was created in 1841 for Carlotta Grisi. The pattern can be traced in the illuminating exhibition, "Three Centuries of the Paris Opera Ballet," organized by Jean-Luc Maeso and which is now on view through Sept. 27 at the Library and Museum of Performing Arts at Lincoln Center.

Once again, the dancers had it over the productions during the Paris Opera Ballet's recent visit. Yet these productions, whatever their faults, had one indisputable merit. They showed off the company to brilliant effect, displaying the presence and style of the Paris Opera Ballet dancers at every level.

Thus even the very young Lionel Delanoe, a corps member, could not help but repeatedly catch the eye in the ensembles. Mr. Delanoe has the advantage of red hair, but even in an all red-haired corps, one suspects, he would be noticeable for his exuberant, infectious energy, the elegance of his gestures and the purity of his dancing in "Swan Lake" and "Raymonda." Certainly he is a dancer to watch in the future. And it would not be remiss to see certain French principals soon again as guest artists with our own companies. Why not invite Sylvie Guillem to appear with the New York City Ballet and Patrick Dupond to appear, as he had before 1981, with American Ballet Theater? Mr. Dupond can make the classics come wonderfully alive, and Miss Guillem's physique and manner are tailor-made for the Balanchine repertoire.

To turn to the productions. Surprisingly, Balanchine was danced exceedingly well in New York. True, we saw a version of his Bizet ballet, "Le Palais de Cristal" (based on the 1947 original) that is not as difficult as his later version for the City Ballet, known as "Symphony in C" (the second movement in the American version is less romantic, the third has trickier partnering). The French do not dance with the attack we now see in the City Ballet. Yet there are many valid ways of dancing Balanchine — as the City Ballet itself has proved over the decades.

What is not tolerable is a disregard of choreographic detail and a misunderstanding of the Balanchine aesthetic. In the mid-1960's, I saw "Palais de Cristal" in Paris, per-



The Paris Opera Ballet in Balanchine's "Palais de Cristal" — a work "danced exceedingly well here in New York."

formed with such flagrant lassitude and carelessness that even the young Frenchman sitting next to me buried his face in his hands and said, "It's too embarrassing. I can't look."

Why then did the New York audience rise up and cheer at every performance of "Palais de Cristal"? Simply because the level of classical technique is so high now at the Paris Opera Ballet that it can adapt to a neo-classical style grounded in a traditional base. Balanchine's premise was always that classical training was a spring-

The noble classical line, often lost in the busy look of some Nureyev choreography, is now more visible.

board for innovation, that classicism can and should evolve.

The secret of the Paris dancers' success in this ballet lies thus in an unlikely source — Rudolf Nureyev's versions of the Russian classics. In New York we saw his stimulating if controversial "Swan Lake" and a one-act anthology of divertissements from his full-length "Raymonda." Now that Mr. Nureyev has given the company an unprecedented concentration of Petipa stagings, combined with Balanchine, "Coppelia" and Bournonville excerpts, there is more emphasis on classical technique than in the recent past.

Interestingly, the company's presentation of Serge Lifar's 1947 "Les Mirages" revealed the neo-classic style

at the base of one of its earlier dramatic ballets. Along with Francine Lancelot's fine Baroque pastiche, "Lull: Quelques Pas Graves de Baptiste," the Lifar ballet showed us another side of the company. Originally composed in 1944, "Les Mirages" has the yearning-for-escape theme common to French ballet, film and theater of a wartime era. Its Surrealist roots — the hero enters the kingdom of dreams with a key — also recall certain Balanchine ballets of the 1930's.

Nonetheless, it is the Nureyev productions that have restored the company to an opera-house grandeur. His productions may be wrongheaded, but they have also pulled the company into shape. His one-act "Raymonda" and his full-length "Swan Lake" contain enough Petipa or Ivanov choreography to serve as a test of the company's classical dancing. The catch is that there is also a great deal of original Nureyev choreography in these versions of the classics — and this is the kind of choreography that in the past has served to trip up dancers rather than develop them.

Yet, repeatedly, the dancers triumphed over these technical difficulties and the choreography also served the dancers well by placing them in relief. In "Raymonda," a new male duet — which might normally look overpacked with steps — became a coruscating display of flashing leg beats as danced with resilient elasticity by Laurent Hilaire and Mamel Legris.

Grudgingly, one must admit that what looks like a secret fraternity ritual, a new all-male polonaise in Act I of "Swan Lake" (quirky palm to palm gestures, men moving in spoke formation and touching the floor) is also a marvelous showcase for the young male ensemble — dazzling in its unison jumps and leg beats. The noble classical line, often lost in the directional changes and busy look of some Nureyev choreography, is now more visible.

In short, Mr. Nureyev is choreographing better. A new solo for Rothbart in the ballroom act looked incomprehensible when he performed it, but, as danced by Pa-

trice Bart, it had a dynamism and martial strutting bravura compatible with the character. The first lakeside act is close to the standard choreography. The new choreography in the last act is emotionally powerful as the swans repeatedly fall into the deep curtsy. The Dying Swan for Anna Pavlova. There is also a strong use of the diagonal, a novel use of a slinking walk as the swan corps, each head bowed to a shoulder, moves with a soft pawing step. As a counterpart, the very first dance passage in Act I is a waltz on a grand scale, a perfect and immediate introduction to the spirit behind the current company.

It is this instant emphasis on dance values that gets this "Swan Lake" off to a good start. The flaw lies in the rethinking of the story — or rather in the fact that a new dramatic concept has not been fully realized. It goes without saying that the traditional 1895 "Swan Lake" remains the most clear and persuasive.

Nonetheless, the shift in recent years — by male choreographers — has been to make Siegfried the focus of the narrative. In tipping the dramatic balance toward the hero, Mr. Nureyev has also given him — and the other men — more dancing. His version — which includes a fourth act pas de deux and Act I solo for Siegfried familiar from other Nureyev versions — moves Siegfried's outdoor party and the two lakeside scenes as well as the ballroom act into a room.

Mr. Nureyev has tried to pour a late 19th-century ballet — with set pieces of electrifying dancing — into the mold of an early 19th-century Romantic ballet. There is a clash of genres here. Moreover, Romantic stories about encounters with supernatural creatures were deliberate metaphors for hidden, even erotic, yearnings that could not be expressed openly. Modern audiences can choose to see James and Albrecht's encounters with sylphs and willis as projections of the hero's mind. But we are given a choice of interpretation, not told that we must see it all as a dream. The lesson that the Romantics remembered is one that Mr. Nureyev forgot in this instance.

A New German Museum Offers an Unexpected Mix

By JOHN RUSSELL

Earlier this year, there was inaugurated in Düsseldorf, West Germany, a museum of 20th-century art that is not quite like any other. It has the air of a private collection, in that it is not didactic, does not aim to be comprehensive and goes heavily into some areas and very lightly into others. It lingers, where other museums move briskly along, and someone in there clearly delights in unexpected conjunctions. Where else should we find Modigliani represented on the one hand by his straightforward, linear, low-keyed portrait of the poet Max Jacob and, on the other, by a portrait in which Modigliani makes the painter Diego Rivera look like a great giggling barrel of blubber?

An original sort of place, therefore. We are not in Academe, as it exists in the 1980's. We are closer, in fact, to a cabinet of wonders of the kind that was built up in Düsseldorf, long, long ago, by princes and potentates. The new museum shows no interest in the more belligerent side of Italian Futurism, for instance, but it has a delightfully offbeat collage by Carlo Carrà of an old-fashioned soda siphon. Dated 1914, it has reserves of wit and humor that manifest themselves in terms of color, texture and form. The spout, the handle so nicely attuned to our thumb, the blue glass of the pre-World War II siphon itself — all dance to Carrà's tune.

But this is not a scene of lordly private indulgence. It is a democratic city museum, with all that implies in the way of civic pride, public money, a central location, educational programs for old and young, and so forth. (At the inaugural ceremonies, public money totaling around \$40 million was said to have been put into the project as a whole.) As a city museum, moreover, it is just where it ought to be — across the way from the city theater, the city opera house, the Kunsthalle (or home for temporary exhibitions of contemporary art) and the noble and now rehabilitated early 17th-century church of St. Andrew.

From the director's office, there is a curving downhill view to the enormous river Rhine, where stern-engineered barges trudge up and downstream. Düsseldorf is a stylish city, with moving water in many places, and fountains all set to spout, and a little park ornamented with a statue of the early 19th-century painter Peter Cornelius.

It also has a large and boisterous population of young people. All day long they pour into the new museum, and they are already as much at home there as they are in the reconstructed "old city," not two minutes walk away, which comes on as a derivative of Disney World.

From all this, a sense of civic rightness emerges. Nor is it dissipated when we find that the new museum in Düsseldorf — whose full name, by the way, is the Kunstsammlung Nordrhein-Westfalen, or Art Collection of North Rhine-Westphalia — owns key paintings of a kind that would now be very difficult to come by and were scarce even in the early 1960's, when the collection began to be formed.

The list of artists represented in the new museum trends, for the most part, the main line from Matisse and Picasso through Paul Klee, Mondrian and Max Ernst to Jackson Pollock, Robert Rauschenberg, Jasper Johns and Andy Warhol. As there are people on that list, from Chagall to Warhol, who painted some terrible pictures in their day, the result could have been a conventional miscellany, with nothing much in the way of individuality.

But the Kunstsammlung Nordrhein-Westfalen is the work of one man, and one only — its founding director, Werner Schmalenbach, who came on board in 1962, when the museum was first mooted, has been there ever since, and lately had his contract renewed for another five years, by which time he will be 70 years old.

He had no mandate except that he was to buy with the

notion of quality uppermost in his mind. He has never had to deal with a bothersome board of trustees.

His initial purchase budget was large enough to put him into a highly competitive position vis-à-vis most of his colleagues, worldwide. For nearly 20 years, from 1962 onwards, he could spend 2 million marks a year. He could act fast, where other directors had to refer back to the board, and before long he was being offered the first refusal of classics of our century that today would cost three, four and five million dollars apiece but were then well within his reach. He had money from the local government, and sometimes from the West German radio, and from other sources — notably the Friends of the collection — and no one can say that it was mispent.

The first painting he bought for the museum (in 1962) was Braque's "Still Life with Harp and Violin" of 1912. With its grandeur of scale, its stature as a turning point in the history of art, its flawless condition and its exemplary provenance, it was a beginning to dream of. In 1963 the museum acquired Max Beckmann's "The Night" of 1918-19, a painting that is one of the supreme achievements of German art in the 20th century.

It is a disquieting picture, in that it deals in detail with the tribulations of a group of people who are shut up in a claustrophobic space and spend their time thinking up unpleasant things to do to one another. But not to know it, not to have lived with it often in mind, not to have plumbed its sinister depths is to be an innocent in matters of terrible importance. "It was not a painting that I would have bought for myself," Mr. Schmalenbach said the other day, "but I knew that we had to have it." It is a relief, even so, to turn to the Frankfurt townscape of an iron footbridge in which another, calmer, more objective side of Beckmann's nature is uppermost.

Proceeding at a clip that was the envy of his colleagues elsewhere, he bought in 1963 Picasso's 1909 portrait of Fernande Olivier, in 1964 a great late Matisse, Miró's "Nude with Looking Glass" of 1919 and Max Ernst's "After Us, Maternity" of 1927. Between 1963 and 1965 he bought no fewer than three Mondrians, and in 1965 a major painting of 1916 by Fernand Léger, "Soldier with Pipe."

The point is not that these names now look inevitable, but that the paintings bought — then, and later — were in almost every case the ones that count. (In 1964, for instance, "Composition IV" of 1911 was one of the greatest Kandinskys still in public hands. In Düsseldorf, it is where it should be.) It is also important that, although in general he looked for what he calls "the survivors of art," he also took risks. Unlike as it may seem today, there were very few European museum directors in 1964 who would have bought Jackson Pollock's enormous "Number 32" of 1950.

He also had generational loyalties. Everyone has them, but for a museum director they pose quite special problems. Like many other Europeans who came of age during World War II and managed to survive it, Werner Schmalenbach saw no reason at first to think that the long leadership of the School of Paris in painting need come to an end. The emergence of abstract painting in Spain seemed to him a foretaste of freedom in a country too long deprived of it.

He also had an eye for painters like Bruno Goller, who has been living in Düsseldorf, off and on, since 1920 and had a genuine gift, if not a major one. All these ancient allegiances play their part in the collection, but that part is kept within bounds.

It is also fundamental to the character of the museum that Mr. Schmalenbach sees no reason to buy the work of artists who — as he sees it — have yet to graduate from the Kunsthalle across the road. A museum is for the well and truly proven, in his view. "It is one thing to be fascinated," he says, "but I want to be convinced."

Fair Game BY JEANNE WILSON/Puzzles Edited by Eugene T. Maleska

ACROSS

- 1 Fodder
- 5 Mil. address
- 8 Disparity
- 11 Popular Manhattan locale
- 17 Hominy
- 19 Skeet device
- 20 Surface measure
- 21 Kind of viper
- 22 Licit
- 23 Belonging to the past
- 25 Down Under resident
- 26 NE African, to Shakespeare
- 28 Ominous
- 30 Actress Merkel
- 31 Used tire
- 32 Brother of Olive Oyl
- 33 Very early invention
- 35 Aggregate
- 38 Bridge man
- 40 Henry James novel
- 46 Penitents
- 49 Elevated
- 50 Gibson item
- 52 Meadow sounds
- 53 Wide shoe size
- 55 Articulate to a fault
- 56 Alice
- 58 Singer for Welk
- 59 Father of Cainan
- 60 Average
- 62 Central African group
- 63 Utah Beach craft
- 64 "— pray"
- 66 Three — a day
- 67 Suffix for poet
- 69 Gumshoes
- 71 Don Juan's emotion
- 73 David
- 74 Straightforward
- 77 Role for Clark
- 79 2 x rad.
- 81 "— de Castro," Ferreira play
- 84 Title for Elizabeth II
- 85 Geisha's receptacle for perfumes
- 86 Song from "A Chorus Line"
- 87 Collection of Scandinavian myths
- 88 Indonesian island group
- 89 Quarry of an M.P.
- 92 Pancake topper
- 94 Clean shrimp
- 96 Flatter, in a way

DOWN

- 1 Drugstore cowboy
- 2 Mountain ridge
- 3 Parsimonious
- 4 Tread + riser
- 5 Greek nickname
- 6 Annie Oakley
- 7 Kind of nerve or axis
- 8 Showy
- 9 Best: Comb. form
- 10 Thoracic
- 11 "— she blows!"
- 12 Chit
- 13 Woolf's "— Dalloway"
- 14 Follow, as a consequence
- 15 Flower under the Pont Neuf
- 16 Honest transaction
- 18 A red liqueur
- 19 What snobs put on
- 24 Tierra del Fuego native
- 27 Irish Nationalist leader: 1846-91
- 29 One of the Dryads
- 33 Engaging
- 34 Straddler
- 36 More unyielding
- 37 Nathan, to David
- 39 Village hub
- 40 Wits
- 41 Actress Nazimova
- 42 Actors' makeup glue
- 43 Charcoal stove
- 44 TV ratings
- 45 What poor planners must go back to
- 47 Residium
- 48 A pinniped
- 51 Specialists in musical details
- 54 Kay followers
- 57 J. E. C.'s arrival time
- 59 Total
- 61 Emulate Bob Stanley
- 65 Soft drink
- 68 Where to see whips
- 70 Ho — Minh
- 72 "Oysters — season"
- 74 Mouths
- 75 St. Philip
- 76 Prepare
- 78 Carpenter's tool
- 80 Causing confusion
- 82 Stein-Plimpton book
- 83 Chopin's amie
- 90 "The Wind in the Willows" character
- 91 Ferocious felines
- 93 Sounds of hesitation
- 95 Lace and rickrack
- 97 Member of an Argentine people
- 99 Bearlike
- 101 A creed
- 102 Graduated
- 104 Without equivocation
- 105 Broadcast
- 106 Guanaco's kin
- 108 A king of Judah
- 109 Oblivion
- 111 Links sounds
- 112 Kind of steak
- 113 Exhilarate
- 114 Do the roof over
- 116 Become washed-out
- 117 Shensi's capital
- 120 Ping River feeder
- 121 "Airways, —": Dos Passos
- 123 Picasso's "The — Guitarist"

PATES FACE GEMIN GRAS
 AROMA ANIL BAKME HAKE
 CUTCOMERS SAVED CERA
 ALEE ERATE SOWDOWN
 SEMESTER MIEU YEANUS
 ELATIA WEIRO MERO
 LOCKED LOOSE COINES
 SABOD ENE CMOA RENECE
 MOSELE DORIAN KEMO
 RAISED THEATRO
 MASS DOLAN HINTERSE
 ELAPSE MADE POT HICE
 TOLLA DEN BOUNGEEAC
 EDUICE GOALS LESSEE
 TIENT COATY WAR
 SACHME FOOT BATEDVED
 CLEANEDDOT SUEW UGLE
 ALAI MORIA SUBEYTHIN
 PAAR TATED ANIA ETATOS
 EVAS ENODE YEAN TUDLES

مكتبات الصحف



ISRAEL NATIONAL ATHLETICS. — (L to R) Itai Iuz of Israel wins the 100m. American Scott Davis pole-vaults 5.65 m. Israeli Rami Levran sets a new Israeli long jump record of 7.53 m. (Guttmann photos)



BASEBALL

Giants flatten Pirates, 9-0

NEW YORK (AP) — Steve Carlton allowed only three hits, all singles, in seven shutout innings for his first victory since June 1 as the San Francisco Giants beat the Pittsburgh Pirates 9-0 on Saturday.

Carlton, 5-10, won his 319th career victory and his first in four starts since joining the Giants on July 4. He had lost two of his three previous starts with San Francisco and entered the game with a 6.12 ERA.

NATIONAL LEAGUE

Cardinals 4, Padres 2
St. Louis won its fifth straight behind Greg Mathews, who scattered eight hits over 6½ innings. Curt Ford's double highlighted a three-run first inning. Mathews, 6-2, struck out one and walked one in handing San Diego its seventh loss in eight games.

CUBS 9, DODGERS 4

Chicago's Shawon Dunston had four RBI on a homer, double and single, and pitcher Dennis Eckersley and a game-winning RBI with a two-run double.

Braves 4, Mets 3; Braves 8, Mets 5
Atlanta won the opener on Ted Simmons' sacrifice fly in the ninth inning. Glenn Hubbard drove in four runs in the nightcap, a single-game career high, three with a double in a four-run fifth inning.

The Mets had won three in a row and the Braves had lost three in a row and 14 of 16 games. Atlanta rallied from a 3-0 deficit in the nightcap, gave Jim Aker a win in his first decision with the Braves, and ended the personal seven-game winning streak of New York starter Sid Fernandez, 12-3.

Phillies 3, Astros 2

Former reliever Don Carman, 5-2, continued to pitch well as a starter, allowing two runs on six hits in six innings. The Astros lost their second straight after a seven-game win streak.

Reds 7, Expos 6

Bo Diaz drew a two-out, bases loaded walk in the ninth inning from Bob Sebra, driving in his fourth run of the game. Diaz put the Reds ahead 6-5 in the eighth with a solo homer, but Montreal tied the score in the eighth.

AMERICAN LEAGUE

Orioles 2, White Sox 1
Baltimore rookie first baseman Jim Traber, subbing for the injured Eddie Murray, singled in the winning run with two strikes and two out in the bottom of the ninth inning of a game marred Saturday by a bench-clearing brawl.

Twins 8, Yankees 4

Tom Brunansky and Tim Lincecum hit three hits each and Kent Hrbek hit his 22nd homer as Minnesota banged out 15 hits in support of

three Oakland relievers were perfect as the A's won their sixth straight. Jose Canseco raised his major-league-leading RBI total to 81 with a single in the third.

Tigers 4, Royals 3

Alan Trammell scored on John Grubb's bases-loaded grounder with one out in the bottom of the 11th inning. Trammell and Kirk Gibson led off the 11th with singles and Lance Parrish was intentionally walked, loading the bases.

Rangers 8, Indians 5

Scott Fletcher's RBI double, Pete Incaviglia's run-scoring single and a two-run error by Cleveland left fielder Mel Hall powered a fifth-inning rally. It was Texas' third straight victory over Cleveland.

Mariners 5, Brewers 2

Jerry Reed held Milwaukee to four hits over 5½ innings to win his third game in seven days and Danny Tartabull drove in four runs with a homer and a single, leading Seattle over the Brewers.

AMERICAN LEAGUE EAST

	W	L	Pct.	GB
Boston	38	28	.574	—
New York	35	31	.530	4
Baltimore	33	34	.493	5½
Cleveland	31	36	.463	7½
Detroit	31	36	.463	7½
Toronto	27	40	.403	12½
Minnesota	25	42	.373	15½

West Division

	W	L	Pct.	GB
California	31	25	.556	—
Texas	30	26	.538	1
Kansas City	25	31	.446	7
Seattle	24	32	.431	8½
Chicago	22	34	.393	11
Oakland	22	34	.393	11
Minnesota	21	35	.375	12½

SATURDAY'S GAMES: Minnesota 8, New York 4; Baltimore 2, Chicago 1; California 4, Boston 1; Oakland 2, Toronto 2; Detroit 4, Kansas City 3; 11 innings Texas 8, Cleveland 5; Seattle 5, Milwaukee 2.

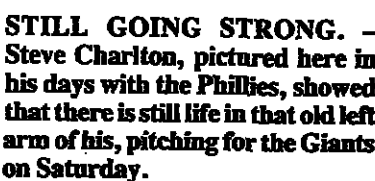
NATIONAL LEAGUE EAST

	W	L	Pct.	GB
New York	38	28	.574	—
Montreal	35	31	.530	1½
Philadelphia	31	36	.463	6
St. Louis	27	40	.403	11
Chicago	27	40	.403	11
Pittsburgh	25	42	.375	13½

West Division

	W	L	Pct.	GB
Houston	34	24	.588	—
San Francisco	32	26	.556	1½
San Diego	29	29	.500	4½
Cincinnati	26	32	.446	8
Atlanta	25	33	.431	9
Los Angeles	25	33	.431	9

SATURDAY'S GAMES: St. Louis 4, San Diego 2; Chicago 5, Los Angeles 4; Atlanta 4, New York 3; 1st game; Atlanta 5, New York 5, 2nd game; Philadelphia 3, Houston 2; San Francisco 5, Pittsburgh 4; Cincinnati 7, Montreal 6.



STILL GOING STRONG. — Steve Carlton, pictured here in his days with the Phillies, showed that there is still life in that old left arm of his, pitching for the Giants on Saturday.

Frank Viola and rookie Allan Anderson, 3-3, in a game delayed nearly two hours by rain.

Angels 4, Red Sox 1

Mike Witt, 10-7, spaced five hits over eight innings, and Doug DeCinces and Bobby Grich homered in the fourth inning for California. Donnie Moore pitched the ninth for his ninth save. Boston, losing for the ninth time in 12 games, got a homer from Rich Gedman.

A's 2, Blue Jays 0

Eric Plunk pitched two-hit ball for six innings, surviving seven walks, and

COMMONWEALTH GAMES

Allison Higson, 13, strikes gold

EDINBURGH (Reuters). — Alex Baumann confirmed his all-round swimming supremacy in the Commonwealth pool, but he had to share centre stage when his Canadian compatriot, Allison Higson, became the youngest-ever Games champion.

Olympic champion and world record holder Baumann demolished Australian challenger Rob Woodhouse in the eagerly awaited men's 400 metres individual medley. But it was simply no contest as Baumann powered home 4.22 seconds ahead.

Then it was 13-year-old Higson's turn in the women's 200 metres breaststroke. She took the gold with a Games record 2:31.20.

Higson's birthday was in March. The previous youngest title-winner in any sport was Australia's Jenny Turrill, first in the 400 metres freestyle at the 1974 Christchurch Games at the age of 13 years and 262 days.

Australia's Suzanne Landells was the first athlete to garner two gold medals. The first was in the women's 200 metres individual medley and

the second in the 400m. medley. Of the latter victory, she said: "This one was harder because I'm not a sprinter."

England's Andrew Jameson split the Australia-Canada domination of the swimming by winning the 100 metres butterfly.

Baumann, who set a world record 4:17.41 winning the Olympic title in 1984, reversed the result the last time he faced Woodhouse, in Canada two months ago. He was within 0.88 of a second of his own record.

"The second half was hurting tonight, and I knew it would be tough. But I felt good and I knew if I turned first at halfway I would win," Baumann said. "My backstroke felt good." He was referring to the stroke that has been most affected by the injury.

The Australian men's 4x200 metres freestyle relay team snatched the gold medal and set a new Commonwealth record in the process.

The team of Tom Stachewicz, Duncan Armstrong, Robert Gleria

and Peter Dale won in 7:23.49 seconds, clipping two seconds off the previous record, also set by an Australian team in 1984, of 7:25.63.

The 10,000m, a traditional medal-busting ground for African runners, was one of the track events most affected by the widespread boycott.

But Jonathan Solly, a 23-year-old market research assistant from England, and his compatriot Stephen Binns, conspired to restore the excitement, shaking off world class opponents before launching into a gripping duel on the final straight.

Binns, a former European junior champion, pushed ahead after a couple of hundred yards of the first lap and stayed there until the 24th turn of the stadium lap, when the tail Solly loped ahead.

Binns fought back with gusto but lacked the vital kick and finished a few steps behind Solly, with Commonwealth marathon record holder Steve Jones of Wales several yards back in third place.

Martina, Chris take U.S. to victory

PRAGUE (AP) — Martina Navratilova completed her homecoming with victory yesterday, beating Hana Mandlikova of Czechoslovakia 7-5, 6-1 to give the United States the championship in the Federation Cup.

Navratilova's triumph, combined with a 7-5, 7-6 victory by Chris Evert Lloyd over Helena Sukova, ended Czechoslovakia's three-year reign as champion of the international team tournament, and gave the United States its 12th title.

The doubles match will conclude the programme, but is irrelevant to the result.

Navratilova, a member of the cup-

winning teams from Czechoslovakia in 1975 and the United States in 1982, broke Mandlikova in the 12th game of the first set and the fourth and sixth games of the second to take the victory. She never lost serve.

As Navratilova, playing in Czechoslovakia for the first time since defecting 11 years ago, got closer to victory, the crowd swung its support to the American. A flying volley that moved Navratilova to match point was greeted with wild applause, and the winning backhand volley brought many of the fans out of their seats.

As they walked off court, Mandlikova wrapped her arm around Nav-

ratilova's shoulder. And the fans kept cheering.

In the first game, Chris Evert Lloyd beat Helena Sukova 7-5, 7-6.

Lloyd and Sukova each played their best tennis of the week-long national team tournament. The American showed little of the tentativeness that affected her earlier in the week, when tendinitis in her left knee kept her from hitting with full power or moving at top speed. And Sukova was more consistent than in previous matches, using her powerful serve and forehand to keep Lloyd off-balance. But she did not have enough to register her first career victory against Lloyd.

Bloom soars in ratings to 235

By JACK LEON
TEL AVIV. — Israel's rising tennis star Gilad Bloom, 19, reached both the singles and doubles finals over the week-end in the \$25,000 ATP Challenger Series clay-court tournament at Neu Ulm, West Germany. His three singles victories to date in the 48-draw have lifted the young soldier to around 235 in the world rankings, representing a jump of 210

places up the ladder in the past four months.

The remarkably consistent Bloom beat David Cup racket Humb van Boeckel 6-4, 6-4 in the third round and in the quarters he came through 7-6, 6-2 against Nick Fulwood, a British top-tenner, who defeated Shahar Perkis recently on his way to the semi-finals of the Jerusalem ATP tournament.

SCOREBOARD

TOUR DE FRANCE. — Maria Casanova of Italy won the Women's Tour de France for the second year running.
AUTO GRAND PRIX. — Nelson Piquet of Brazil won the West German Grand Prix in a Williams. His team-mate Nigel Mansell came third, and increased his World Championship lead to 51 points, with Prost second on 44.
TENNIS. — Brad Gilbert beat Christo van Rensburg 6-3, 6-4 and Mike Leach overcame Wally Masur 6-2, 6-4 at Livingston, N.J. The winners meet in the final.
In the Swedish Open semi-finals, Mats Wilander b. Mikael Pernberg 6-4, 5-7, 6-3, and Emilio Sanchez b. Stefan Edberg 6-3, 6-3.

The heat's on

GARDENER'S CORNER / Walter Frankl

AUGUST is the height of the vacation period for many readers. And for those others the heat and the continual buzzing of the cicadas tempt us to relax a little. But we should not relax altogether, for there are things which we should do to prepare for the coming season, as well as to reap the benefit of our last labours.

Religious Jews who keep the commandments of the *shmitta* (sabbatical) will have a whole year to relax because they are forbidden to sow or to plant for the 12 months, beginning three days before the New Year. Religious amateur gardeners should therefore fully utilize the whole of August to prepare their gardens for the sabbatical year. We shall deal with the *shmitta* commandments in our next column, giving a list of biennial and perennial plants which can be planted before the "last hour."

Save water became a national slogan this summer with our biggest natural water supplier, Lake Kinneret, at its lowest level and many underground water-storage resources used to capacity. Although we have discussed this problem previously, it is of such importance that certain points shall be emphasized again.

Plants in containers and hanging baskets need more frequent watering than those grown in garden beds. Evaporation of water from the soil as well as the plant's leaves is more rapid when the containers absorb heat. Plants such as *Solanum capistrum* (a common garden or balcony plant with decorative, non-edible red berries), Jerusalem artichoke, evening primrose, sun-

lowers, tomatoes, fuchsias and chrysanthemums should be watered daily during sharav periods, while succulents such as mesembrianthemums, portulaca and cacti of all kinds can be watered once a week. Summer-flowering bulb-plants, like dahlias, gladioli, agapanthus, glonias and tuberous begonias should be watered two-three times per week. This is also sufficient for all plants with fleshy roots such as asparagus, spiderplant (chlorophyllum), and red hot poker (tritoma). Watering should be done in early morning or late afternoon/evening to avoid evaporation. Be sure that the moisture reaches the tips of the roots. As a rule, the container should be filled with water up to the rim. Time and water-saving methods, used more and more in recent years, are drip-irrigation or trickle systems.

Vegetables for late summer planting. For many amateur gardeners the planting season ends in late spring and August is the time for harvest. For others, August is the time to sow vegetable seeds.

There are quite a number of vegetables which can be planted in early August. Many will not mature fully by the autumn, but are still delicious when young. It is certainly worthwhile to take a chance on the weather and the price of failure is small in relation to the rewards of being able to enjoy your own fresh produce.

When planning your vegetable programme, remember to rotate crops. Never grow the same crop (or a crop of the same plant family) in the same bed. It is preferable to have a below-ground crop (potatoes, radishes, etc.) to follow an above-ground crop (lettuce, spinach etc.)



Watering should be done in the early morning or late afternoon, to minimize evaporation.

alternately.

Beans are basically a warm weather crop, but it is possible to plant them in early August. They should be mulched against possible night frost in October when they start to ripen. Beans can be included in your autumn garden, as well as carrots. (Although carrots will not mature fully, baby carrots are sweet and delicious!) Loose-leaf lettuce ("pluck salad") will mature in less than 30 days. If you possess a cold frame, you can transplant some of the lettuce plants into it and grow them with a distance of 25-30 cm. from seedling to seedling. In this way, you may be able to harvest fully grown lettuce heads by late autumn. There is one condition: the frame should be closed with glass or a plastic sheet at night and in bad weather.

Other vegetables that can now be planted are peas (a rare delicacy which more people should take the trouble to plant); radishes, which need very little time to reach maturity; spinach and potatoes (choose those with visible sprouts only). The latter will harvest well in time for your Hanukkah latkes! Complete your midsummer sowings with

herbs. Some will germinate quickly, like garden cress and mustard (germination in 4-6 days!), others, like parsley, dill, basil, marjoram, celery or chives will take more time to show up, but all can be sown now for a spicy autumn and winter.

Coriander. This is one of the most common kitchen herbs in Israel. *Coriandrum sativum* (garden cress or kashara in Hebrew and Arabic) is a native to the Mediterranean area and has been popular since biblical times. It is reputed to have added fragrance to the gardens of ancient Babylon, and was also planted in the gardens of ancient Persia, Greece and Rome. Nowadays it is a truly international seasoning. Coriander can be sown during this period or in early spring. The leaves are ready to pick in a month to 6 weeks, but the seeds do not mature until about 3 months after sowing. The whole seeds are used in pickling spice mixtures and the powdered seeds are an essential ingredient of curry powder. The green seed has a rather unpleasant odour, but this changes to a fragrant aroma after ripening and drying. As a garnish the coriander leaf is much like garden parsley but more tender.

Clipping and bobbing



Furs, fins and feathers
by D'vora Ben Shaul

the question of animal sterilization) regards the custom of clipping, bobbing, trimming of tails and ears on certain breeds of dogs.

This week I received a letter from a 12-year-old boy which asks why this is done and if he must do it to the cocker spaniel puppies his bitch is expecting soon. It is far easier to objectively explain the why than to advise anyone as to what to do about it.

The matter of ear and tail clipping started several hundred years ago in the area of animal sports, when most dogs were either guard dogs or hunting dogs. In many breeds of hunting dogs, tails were bobbed to prevent them from making unnecessary noise when wagged in the grass, and in guard or fighting dogs to prevent an assailant, human or canine, from having access to such a convenient "handle."

It became a standard practice to bob the ears and the tails of schnauzers, boxers, bulldogs, Doberman pinschers (which arrived on the scene much later) as well as the tails of spaniels and many others.

IN ADDITION to these so called practical reasons was the aesthetic factor that appealed to the sense of order. The clipped dog was more standardized and less individual. The clipping of the ears was felt to increase the dog's appearance of alertness and ferocity.

The Beduin here in Israel clip the ears of the Canaan dogs today, be-

lieving that it increases their ability to guard. As far as I know, no one has made a study of the factor risks might play in this practice.

In the course of time, for every recognized breed, a "standard of the breed" has developed. This standard has nothing to do with the way the dog is but with the imaginary human-made model of the dog as *one wants it to be*. These breed standards have become the stock list against which the quality of the pedigreed animal was checked and is the master model for judging dogs in dog shows today.

In many breeds the clipping of ears and tails is made mandatory, and that is where the problem starts. If the pup does not have this done, then it doesn't look the way people think the breed should look, and consequently there are no buyers and often no takers for the pups. Even people who have no intention of ever taking the dog to a show, still want it to "look right" and insist on the operations.

Some countries, most notably the Netherlands and England, have taken a stand on this issue and do not allow the cutting of ears and tails for cosmetic reasons. As a result they pay the price of having to compete only locally because their dogs are unshowable in countries which have a Kennel Club that adheres to the breed standard.

As to the cruelty of the practice, I personally feel that all cosmetic surgery towards a non-consenting victim is cruel and should be avoided. Tails are less of a problem because they are clipped within 24 to 36 hours of birth and while it may be painful, the puppies show no signs of this.

On the other hand, puppies exhibit a great number of symptoms that would lead one to believe that ear clipping is a very painful business. Puppies, not too uncommonly, also get complications in ear surgery and then things are even worse.

SO, THERE it is and everyone has to make up his mind about what they should or should not do. I personally decided that I didn't want a dog whose parts and pieces were disposable, and I stick with the natural breeds like shepherds and Canaan dogs (except to the matter of emergency adoptions).

If you do not clip the puppies' tails at birth and their ears at 12 weeks, if they're still with you, then you'll have trouble selling or even giving away your schnauzers, boxers, cockers, etc. Some breed clubs will prohibit them from breeding as purebred stock, which is really silly since the clipping of any part does not affect the genes.

Nonetheless there are those purists who insist on it, claiming that they cannot evaluate a dog for breeding purposes if it is not according to the standard.

The Israel Kennel Club was founded in the German and Austrian traditions and has always adhered to the prevalent practices there, even now with a younger generation in control. This is not likely to change in the near future.

So in the end it is you who must decide. Will it? Won't it? Is it moral? Is it cruel? One thing is for certain. In deciding the issue, we are handicapped by the fact that the dog in question has no voice at all.

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MARKET PLACE

PINHAS LANDAU

Popular wisdom

1. Minimum Wages

"Minimum wages are a good thing, and should be enacted as soon as possible and at as high a level as possible." Right? Absolutely wrong. Minimum wage laws keep overall wage levels and average wages higher than they would otherwise be and therefore cause unemployment. This simple truth is one of the basic lessons in any course in labour economics. Why then is it ignored? Mainly because of the political interests that lie behind all attempts to introduce minimum wages.

A minimum wage law says an employer may not employ anybody unless he pays them at least a certain amount of money. In theoretical economics, such a law is undesirable, because the assumption is that labour is freely supplied and if the wage is too low, it will not be offered.

In the bad old days of capitalist exploitation, which was rather more than a mere figment of socialist imagination, employers were able to push wage rates down below the market price, sometimes to slave-wage levels. Unskilled and unorganized workers were unable to resist, hence the growth of trade unions — and the rest of the story is well-known.

But today unions represent the mass of employed workers, and it is their interests that the unions seek to protect and further. The unemployed ex-workers and the would-be-employed youngsters just joining the labour force are the competition to the unions, whose power has in many cases driven wage rates above the market price.

A minimum wage for the lowest paid pushes up the wages of all those above that minimum, because of the existence of hard-won "differentials" between grades of workers. The result of a minimum wage law, therefore, is that all those in work get higher wages while those not in work face a higher barrier which prevents them from entering the market.

Looking at it from the employer's point of view, the higher the minimum wage the less incentive to employ and train cheap, unskilled labour and the more incentive to install automated equipment, which in turn results in more unemployment, often even of those currently with jobs.

2. Oil Prices
"The oil price fall should be passed on to consumers who, after all, suffered enough when the price rose dramatically in the 1970s." Right? Absolutely wrong.

The problem with the oil price collapse, which has taken two-thirds off the price of a barrel in the last nine months, is that no one knows what is going to happen next.

The collapse therefore has to be treated as a windfall, not as a permanent development. Therefore, and particularly in Israel, the windfall that amounts to hundreds of millions of dollars annually — and especially this year — should be treated carefully.

The figures showing that Israeli gasoline demand reached all-time highs in June — before the latest price cuts — are a classic example of how not to go about things. The money being saved by the government is being channelled directly to oil consumers — both car-owners and petrochemical companies.

Instead, the savings should be distributed throughout the economy in an efficient manner to those who can make the best use of them. This can be done by an across-the-board tax cut either in corporate, personal income or indirect levies — so long as it is indiscriminate. Then the persons or firms that can make best use of the marginal tax savings, by working harder or investing in new plant or hiring more personnel, or whatever, will be the ones to utilize the windfall.

Cutting prices at the pump, however, is a better vote-catching exercise and makes people feel good. Once again, with the wider public interest faced with politically motivated narrow considerations, it is the latter which are winning out.

Correction

In the Executive Changes column appearing in yesterday's *Jerusalem Post*, Shaul Adler's age was given incorrectly. He is 27.

Bill goes to Knesset shortly

Cabinet okays minimum wage

By AVI TEMKIN

The government will table a minimum wage bill in the Knesset in the coming days, after the cabinet yesterday approved a proposal by Finance Minister Moshe Nissim. Under Nissim's proposal, the minimum wage would be determined in negotiations between the Histadrut and the employers.

Sources said the cabinet took the initiative yesterday in a bid to thwart the introduction of private bills by MKs on the same issue. The Treasury feared that a majority of the Knesset would support legislation setting the minimum wage at 45 per cent of the national average wage. The Finance Ministry strongly opposes boosting the level.

The minimum wage is currently set at 35 per cent of the national average wage, or NIS 300 a month. Workers receiving less than the minimum are entitled to a supplement from the National Insurance

Institute. Meanwhile, Histadrut Secretary-General Yisrael Kassar said yesterday that the union's holding company, Hevrat Ha'ovdim, would unilaterally raise workers' minimum wages by the end of the month, if no progress were made on the issue in the national wage talks with public and private employers.

Kassar said the minimum would be set at NIS 450 a month, or 45 per cent of the national average wage.

Nissim's bill includes three main elements. Besides leaving the setting of the minimum salary to the Histadrut and the employers during their bi-annual wage talks, the bill provides for a team of experts to update the figure in the years between negotiations. Thirdly, the bill makes it clear that wages generally will not be increased in tandem with any increase in the minimum wage.

During its meeting yesterday the cabinet rejected a proposal by

Labour and Social Affairs Minister Moshe Katsav to set the minimum wage at 45 per cent of the national average. The increases in the minimum wage would cover only 15 per cent of the labour force, Katsav argued, and would increase labour costs by only 1.5 per cent on average.

At the same meeting, the cabinet approved a bill amending income tax regulations to reduce the tax paid by corporations. The amendment reduces tax payments on undistributed profits from 20 to 8.3 per cent. The corporate tax is left at 40 per cent of income, thus reducing the overall tax rate to 45 from 52 per cent.

The bill also increases the depreciation rates for tax purposes for industrial firms. According to the Treasury both amendments will cost some NIS 110 million in annual terms. But because the fiscal year has only eight months left, it will cost the Treasury only NIS 75m. to finance these tax relief measures.

CURRENCY MARKETS

Bullish economic data from U.S. give dollar a boost

By AVNER MARGALIT

The dollar closed higher for the week against the other major currencies for the first time in a while, as the market paid close attention to a batch of U.S. economic data.

The second-quarter gross national product growth rate was 1.1 per cent, in line with market expectations. But previous GNP data was revised upwards: the first-quarter rate was 3.8 per cent against the previous 2.9 per cent estimate and for all of 1985, the economy advanced 2.7 per cent, against a 2.2 per cent estimate. In addition, June durable good orders were considerably up.

The figures suggested that the economy may be in better shape than previously thought. Since the dollar was priced in line with a very weak economy, this new evidence was translated into short covering. Federal Reserve Board Chairman Paul Volcker's testimony before the Senate revealed nothing new to the market. However it was well understood that the discount rate will not be cut again soon and this raised U.S. interest rates and further supported the dollar.

Since Japan is unwilling to cut its discount rate at the moment, it is employing various other ways to weaken its currency. The new finance minister in Tokyo said the yen appreciated too much. Japanese officials are considering easing the rules governing capital outflows in order to boost the purchase of dollar-denominated assets.

The pound sterling continues to be the weakest among the European currencies. As members of Opec are unlikely to reach a solid agreement at their meeting in Geneva this week, the pound may suffer additional pressures.

Recent corrections in the value of European currencies were expected at the high levels which were reached early last week as they were overbought. We believe that this correction still has some way to go and that before the resumption of a new rally a short term consolidation is needed.

The Deutschmark might reach the level of 2.185 before stabilizing, although the major support level for the trend lies now at 2.275. The Swiss franc will encounter first support around 1.77 while the long term support lies at 1.812. The yen will reach a support around 160, but its major support lies around 169-170. The pound might stabilize at the current support level 1.47. A breakthrough at that level will mean a substantial drop in the value of the pound.

The writer appears courtesy of Bank Leumi's Advisory Service.

FAILED FACTORY. Workers at the first factory in China to go bankrupt in 37 years will get their basic pay for six months and then smaller sums, an official newspaper said.

China has no nationwide system of unemployment pay, but the paper said the state would make payments to 36 workers at an instruments factory in the northeastern city of Shenyang.

The factory, first to go bankrupt since the communists took power in 1949, blamed poor equipment and bad management for its heavy losses.

Leumi introduces new system for financing construction

By PINHAS LANDAU

Bank Leumi yesterday announced the introduction of a new system of financing construction projects which it says will protect apartment purchasers from losing their investments if the contractor runs into financial difficulties.

The construction loan system, already widely used in the U.S. and Europe, utilizes a single bank account for each building project. Into this account are paid all the monies connected with the project, including the contractor's own capital, the loans he receives from banks

for financing the project, payments made by purchasers, mortgages for purchasers from mortgage banks and so forth.

The central account is solely for the purpose of an individual construction project, and the bank's task is to oversee its management and ensure that it is not abused or mixed with other businesses of the same contractor. This enables purchasers to have greater confidence that the money they pay will go to actual construction, protecting them from what occurred when builders such as Clarin Ltd. collapsed.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	112.28 +0.12%
Non-Bank Index	126.61 +0.58%
Arrangement	105.98 -0.13%
Insurance	140.48 +0.85%
Commerce, Services	147.87 -0.98%
Real Estate	153.50 +1.17%
Industrials	118.48 +0.73%
Textiles	138.48 +0.86%
Metals	111.18 +1.56%
Electronics	89.90 +0.28%
Chemicals	117.48 +0.45%
Industrial Invest.	108.24 +0.70%
Investment Cos.	124.91 +0.50%
General Bond Index	110.28 +0.27%
Index-linked Bonds	111.10 +0.27%
Partially-linked	110.03 +0.21%
Dollar-linked Bonds	99.53 +0.20%
Short-term 0-2 yrs	108.53 +0.18%
Medium-term 2-5 yrs	109.42 +0.34%
Long-term 5+ yrs	106.57 +0.20%

Turnovers:

Shares - total	NIS 4,751,300
Non-Bank	NIS 1,280,700
Bonds - total	NIS 5,428,400
Index-linked	NIS 3,791,700
Dollar-linked	NIS 1,636,700
Treasury Bills	NIS 321,100

Share Movements:

Advances of which 5%+	176 (110)
"buyers only"	27 (21)
Declines	82 (135)
of which 5%+	15 (17)
"sellers only"	0 (8)
Unchanged	119 (131)
Trading halt	47 (47)

Bond Market Trends:

Index-linked	14.05%
3% fully-linked	Stable



America House (M. Dekel)

Foreign investors buy 61% stake in America House

By MICHAEL YUDELMAN

Jerusalem Post Reporter
TEL AVIV. — A group of foreign investors, mainly from South Africa and Europe, purchased a 61 per cent stake in the Tel Aviv office tower America House over the weekend.

The buyers paid \$3.4 million for the stake, including a 25 per cent holding owned by Solel Boneh, 25 per cent by Rozo Group and 11 per cent by Ampal. The purchase was arranged by Shlomo Tepper of the accounting firm Reuveni, Artov, Tepper and Co.

America House, located on Sderot Shaul Hamelech near other prestigious office towers, including IBM and Asia houses, is valued at \$5.6m. Its 900 square metres of floor space reportedly earn about \$1m. annually in rentals.

Sources said the investing group had asked their representatives here to locate and purchase central office buildings in Israel because of the good terms currently available. Buildings sell for about \$600 to \$800 a square metre.

Gazit hits politicization of economy

Giora Gazit, who resigned as chairman of the Bank Hapoalim board of directors at the behest of the Bejski Commission, denounced the destructive effect of government intervention in the economy.

Speaking to the Tel Aviv Commercial Club Friday, Gazit called for the creation of conditions that would

encourage the return of emigre Israeli entrepreneurs. At present they were unable to come back, "because the government shuts the door in their faces," he charged.

The ex-Bank Hapoalim boss warned that the Israeli economy is losing its competitiveness in the Western economic system.

FINANCIAL DATA ISRAEL EUROPE

ISRAEL MONEY MARKETS July 24, 1986

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.25% per month
Unlinked Deposit (Annual Rates)

	Last Updated	Teper	Pakam 7-5 Day Pakam 30-Day
LEUMI	24.7	7.14%	8.14%
HAPOLIM	24.7	8.14%	8.14%
DISCOUNT	25.7	8.1650%	8.1650%
MIZRAHI	23.7	8.16%	8.16%
FIRST INT'L	23.7	8.14%	8.14%

Rates vary according to size of deposit.
(Teper: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES (as of July 24)

	3-MONTHS	6-MONTHS	12-MONTHS
USD	8.000	8.000	8.000
STG	8.000	8.000	8.000
DMK	4.000	4.000	4.125
SFR	4.250	4.250	4.250
YEN	3.125	2.875	3.000

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES July 24

	CHEQUES AND TRANSFERS	BANKNOTES	Rep.
U.S.A. Dollar	1.4842 1.5028	1.46 1.53	1.4912
U.K. Sterling	2.2196 2.2474	2.18 2.28	2.2322
Deutsche Mark	0.6876 0.7064	0.69 0.72	0.7034
French Franc	0.2180 0.2187	0.21 0.22	0.2171
Dutch Florin	0.0187 0.0188	0.01 0.01	0.0179
Swiss Franc	0.8847 0.8765	0.88 0.89	0.8878
Swedish Krone	0.2108 0.2135	0.21 0.22	0.2119
Norwegian Krone	0.1990 0.2014	0.20 0.21	0.2000
Danish Krone	0.1855 0.1880	0.18 0.18	0.1866
Finnish Mark	0.2382 0.2379	0.23 0.23	0.2357
Canadian Dollar	1.0670 1.0804	1.05 1.10	1.0729
Aust. Dollar	0.9113 0.9227	0.91 0.94	0.9160
S. Africa Rand	0.5815 0.5889	0.41 0.45	0.5942
Belgian Franc	0.3348 0.3367	0.33 0.34	0.3357
Austrian Sch.	0.9911 1.0035	0.97 1.02	0.9956
Italian Lira	1.0155 1.0283	0.99 1.05	1.0207
Japanese Yen	0.9502 0.9621	0.94 0.98	0.9551
Jordanian Dinar	—	4.26 4.52	4.2998
Egyptian Pound	—	0.79 0.84	0.8052
ECU	1.4797 1.4883	—	1.4831

SUPPLIED BY BANK LEUMI

EUROPEAN FINANCIAL MARKETS

PRECIOUS METALS

GOLD: LONDON A.M. FIX 349.00 P.M. FIX 349.40
PARIS NOON FIX 350.46 ZURICH P.M. 349.60

SILVER: LONDON FIX 501.00

PLATINUM: LONDON P.M. 444.75

PALLADIUM: LONDON P.M. 112.00

FOREIGN CURRENCY CROSS RATES (London 15.30GMT)

	SPOT	2 MTHS	3 MTHS	6 MTHS
DEUTSCHE MARK	2.1490/50	75/70	105/100	210/200
POUND STERLING	1.4920/30	83/81	125/123	242/237
SWISS FRANC	1.7350/70	47/42	65/60	140/130
JAPANESE YEN	157.50/00	63/61	84/82	189/184
FRANCO FRANK	6.3625/50	30/45	45/55	90/120
ITALIAN LIRA	1477.00/50	1150/1225	1800/1675	3575/3725
DUTCH GULDEN	2.4225/25	46/42	67/43	144/136
BELGIAN FRANC	40.400/20	20/18	28/26	137/128
DANISH KRONER	8.0775/25	235/235	350/340	880/880
S. AFRICAN RAND	0.5805/10	36/31	45/40	80/70
EUROPEAN CURRENCY UNIT	0.9870/75	15/11	21/18	36/31
FINNISH MARK	5.0815/35	340/380	530/570	1100/1200
AUSTRALIAN DOLLAR	0.6038/45	86/83	123/118	213/207
NORWEGIAN KRONER	7.5150/00	1005/1025	1505/1525	2570/3010

Formula for determining forward rates:
(eg. 2202/10) — deduct from spot price.
low/high (eg. 2102/20) — add to spot price.

U.S. MONEY RATES

Prime rate 8.00%; Broker Loan 7.50%; NY Euros 3 months 6%—1/2%; Fed Funds late 6%+1/2%

NEW YORK FOREIGN EXCHANGE

	DMK	SFR	STG	YEN	CAN
PREVIOUS CLOSING	2.1375/85	1.7240/80	1.4910/20	156.50/60	1.3868/74
OPENING	2.1520/30	1.7340/50	1.4860/70	158.00/10	1.3868/73
LATEST	2.1520/30	1.7340/50	1.4780/90	158.30/40	1.3873/78

Comment

The dollar ended higher in dull trading, with chart factors dominant in the absence of any U.S. economic data. The U.S. currency's rise was encouraged by a report that Japan is considering easing rules on outflows of capital to prevent the yen from climbing more. Dealers awaited U.S. economic data and Fed Chairman Volcker's congressional testimony this week.

ISRAELI STOCKS

TRADED IN NEW YORK:

	Last	Prev. Close	High	Low	Vol ('00s)
Alliance	11 1/2	11 1/2	11 1/2	11 1/2	44
Artel Pap	2 1/2	2 1/2	2 1/2	2 1/2	106
ATLAS	1 1/2	1 1/2	1 1/2	1 1/2	99
Electrol	9 1/2	9 1/2	9 1/2	9 1/2	11
Ex Lavud	1 1/2	1 1/2	1 1/2	1 1/2	121
Laser Inds	13 1/2	13 1/2	13 1/2	13 1/2	121

Over the counter

	last	bid	ask	last	bid	ask
Bank Leumi	21 1/2	21 1/2	21 1/2	Interpharm	7 1/2	7 1/2
Elbit	6 1/2	6 1/2	6 1/2	Optrotech	7 1/2	7 1/2
ECI Tel.	3	3	3	Rada	5 1/2	5 1/2
Elron	6 1/2	6 1/2	6 1/2	Schex	5 1/2	5 1/2
Fibronics	5 1/2	5 1/2	5 1/2	Tecovit	3 1/2	3 1/2
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In search of peace partners

THE OBVIOUS question now is whether the exploratory dialogue inaugurated by King Hassan and Premier Peres last week will lead to genuine Arab-Israeli peace negotiations, and thus earn the accolade of "historic turning point" somewhat prematurely bestowed upon it. The Moroccan monarch and the Israeli premier have both declared themselves committed to no letup in the search for peace. But that is not enough.

Mr. Peres yesterday obtained his government's vote of satisfaction with the encounter at Ifrane, and approval for continuity in the peace efforts. The terms used in the official statement were rather tepid, for about half the ministers would like nothing better than to be spared the challenge of diplomatic talks involving the future of Judea, Samaria and Gaza. But it still amounted to the government's sanctioning of Mr. Peres's mission to Morocco.

King Hassan has no similar problem with his own government. But he does have a problem with the Arab League which he currently chairs. In order to force fellow Arab rulers into granting him a fair chance to explain and defend his invitation to Mr. Peres, the king yesterday resigned the post he had occupied since the last Fez conference, four years ago, as chairman of the Arab summit conference.

Before the next practical step towards peace may be taken, however, a consensus must be formed that the purpose is not an imposed but a negotiated settlement, which entails mutual give-and-take.

That both King Hassan and Mr. Peres duly acknowledge the fact is plain enough. "No peace is possible if all sides stick to their opening positions": this might have been stated by Mr. Peres, but it was said by the Moroccan foreign minister, Abdel Atif Hillali, in a post-Ifrane interview doubtless granted with the king's consent. Earlier it had been Mr. Peres who observed, in a position paper submitted to Hassan, that the chief obstacle to progress was the rejection of negotiations and compromise.

Since neither of them budged during their dialogue from their previously stated positions on the Arab-Israeli dispute, there was some justification for a feeling of a degree of disappointment by both King Hassan and Mr. Peres. Although it was the king who chose to make his disappointment public, and right away.

Morocco's position rests mainly on the 1982 Fez plan. The novelty of the plan lay in just one of its eight points, numbered seven, which in an early version, authored by King Fahd, affirmed "the right of all states in the region to live in peace." But to meet rejectionist objections, this language was replaced by the mealy-mouthed stipulation that the UN Security Council "guarantees peace among all states in the region, including the independent Palestinian state." To King Hassan this for some reason implies recognition of Israel.

While an improvement on the three Khartoum no's, the Fez plan was, and remains, a product of outdated thinking, and is only fit for use as an opening gambit. Foreign Minister Yitzhak Shamir, leader of the Likud, was right to lambast it over the weekend.

But the Likud's own positions, as frozen into the "basic policy guidelines" of the national unity government, are similarly fit only as openers. To Mr. Shamir, the country's premier in two months' time, these positions represent Israel's last defence line from which there can be no retreat. Under the guidelines Egypt is bidden to resume autonomy talks, and Jordan is invited to raise whatever peace proposals it wishes. But no doubt is left that the Likud, acting from within the government, will wreck any plan that fails to secure permanent Israeli hold over all the presently occupied territories.

It was within these guidelines that Mr. Peres had to formulate Israel's national policy for presentation to King Hassan - and, judging by the fairly contented reaction of most Likud ministers, he carried out the assignment with success.

True, the premier was on firm Labour Alignment ground when he ruled out talks with the terrorist, Covenant-minded PLO, as well as Palestinian self-determination. But he held back from proposing - even on the basis of reciprocity - such compromises as he doubtless believes essential to Israel's own safety and integrity, knowing that the Likud won't stand for them.

To make such proposals at this time without an assurance of Arab reciprocity would mean breaking up the government for no apparently good reason. If King Hassan wishes to help Mr. Peres, whether in his remaining few weeks as premier, or later as foreign minister, to wrench Israel from the current paralysis of peace diplomacy, he should supply proof that Mr. Shamir's excuse for the Likud's grasping programme - the lack of Arab partners in peace - is bogus.

MUBARAK, PERES

(Continued from Page One)
 graphically the two countries' border claims. Israel will propose to the Egyptian negotiators that the two sides forgo a meticulous mapping of the disputed area for the annex, for the time being, and make do with "staking out the claims" on the aerial photographs, to enable an initialing of the *compromis*.

After the initialing, the two sides would have time to carry out mapping by survey teams before the formal signing of the document, and before the submission of the dispute to the arbitrators.

The two sides are also expected in Egypt to decide on the three international arbitrators. The Egyptians, Israelis and Americans have all prepared lists of candidates. The sides are expected to choose either names which appear in two or more of the lists or, failing this, names appearing in the American list.

Israeli officials believe that if the Egyptians are really intent on winding up the negotiations and enabling Bush to participate in the signing ceremony, the *compromis* could be signed and sealed within the 10-day period.

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Getting our act together

Susan Hattis Rolef

TWO RECENT contributors to *The Jerusalem Post* seem to have missed the point with regard to what the national debate is all about. Neither David Twersky ("When no one has all the answers," July 6) nor Misha Louvish ("Time to tell the truth," July 21) is on the ball in holding that a national unity government - as distinct from national unity - is a supreme ideal.

Such governments are useful when a state is in an emergency situation - as Israel was on the eve of the Six Day War or again in September 1984, when inflation threatened to break the four-digit barrier (remember?) - when "unity" is psychologically important.

They are unavoidable when none of the major political parties is able to form a "normal" stable coalition - as was the case following the elections to the 11th Knesset in July 1984.

In 1967, the national unity government served as a passport to legitimization for Gahal. Today, for David Twersky, it apparently serves as a shelter for a Labour Party which has lost its self-confidence.

The national unity government would have some intrinsic value as a more permanent feature of the system if its members had the intellectual qualities of "philosopher kings"; were moderate in their style; and had no personal political ambitions. One could wish it were so. But it is not, and a national unity government in contemporary Israel is a sure formula for partial paralysis, preferable only to total paralysis and anarchy.

CONSEQUENTLY, once the emergency is over and/or a more homogeneous narrow government can be formed with stable backing, the national unity government should be dispensed with. However,

in the current situation I would argue that even if the national unity government can be dispensed with, the Labour Party should at least go through with the rotation for the sake of its own credibility. Now, if one looks at the situation from the point of view of both the Likud and the Alignment - each of which is a perfectly normal political animal that would like to be in full control of the government, it is convinced that its beliefs and its manner of doing things are the only way to save Israel from ruin, and is made up of human beings who are not exactly enamoured of each other, the *tachlis* question is: "Is there an acceptable alternative?"

Unless the Likud can persuade the Citizens Rights Movement or Mapam to join a Likud-led government (which is unlikely), it cannot possibly form a narrow government, even with the support of Kahane. Thus its present alternatives, other than the national unity government, are to be in opposition, in which case a struggle for the leadership would inevitably take place, and new elections, which it would much rather have after, not before, the rotation.

FROM A LABOUR point of view, the alternatives to continuing to struggle within the present administration, are either a narrow government with at least one or two of the religious parties, at the very high cost of breaking its principles on issues of religion and state (a prospect many party members find unacceptable); or new elections, in which my instincts tell me that Labour will not do too well just now, despite Peres's latest diplomatic feat.

After all, the Moroccans whose support Peres needs are in Israel, not in the royal palace in Rabat, and they still have a psychological prob-

lem with the Alignment, though hopefully the Labour Party will utilize the Moroccan visit wisely in those circles.

IF I READ the situation correctly, despite some discordant sounds coming out of the Labour Party, Peres will do everything in his power to go through with the rotation in October, since he personally has even more at stake than does the party.

However, the government is unlikely to survive beyond the spring of 1987, since unlike the Likud, which has had the prospect of rotation to cushion all its frustrations, the Alignment will have nothing but new elections to look forward to, and the common view is that the further the rotation recedes into the past, the greater the Likud's relative advantage.

So, rather than philosophize about national unity versus party ideology, David Twersky and Misha Louvish, and the rest of the Labour Party's quarter of a million registered members, should start thinking about how to win the next election, when it comes.

"Telling the people the truth" (Louvish) or depending on people suddenly realizing "which large Israeli party has truer vision, and which remains blinded by the false light" (Twersky) won't do.

I would suggest that the problem with the Labour Party is not its ideology or its subjective truth, but its apparent inability to get through to people. A typical example is the fact that the Labour Party has not even managed to explain to its own grass-root members what the GSS affair is all about. MK Edna Solodar returned from the party branch in Gadera several days ago and reported that the *haverim* there believe the affair to be "about two Arab terrorists."

ANOTHER bad mistake is the tendency to demonize the members of the other camp. The following incident may explain what I mean. Some days ago I got into a political discussion with the repairman who came to fix my washing-machine. He identified himself as a right-winger, and proceeded to attack the characters of the various Labour leaders.

When he had finished, I gave him examples of Likud members who had similar negative qualities, but went on to praise some of my

Dry Bones

BUSH DUMPED AN AMERICAN JOURNALIST BECAUSE HE REPORTS FOR AN ISRAELI NEWSPAPER?

WOW!

THAT'S REALLY IMPRESSIVE.

IMPRESSIVE?

SURE! IT PROVES THAT THE RUMORS THAT HE'S ON THIS MID EAST TRIP TO IMPROVE HIS PRESIDENTIAL CHANCES...

...ARE A JOKE.

favourite Herutniks. His reaction was: "You must be from the right wing of the Labour Party."

I then gave him a fairly detailed exposition of my official Labour Party views. At the end of it his reaction was, "You must be from the right wing of the party" - from which it was obvious that he was more impressed by my human approach to the Likud leaders than by my views.

THE LABOUR Party has a third category of problems in those who claim that "there is no real difference between the Alignment and the Likud." When this argument comes from the left, what they mean is that the Alignment is not sufficiently left-wing in their eyes.

This should not worry the Alignment. Let Mapam and the CRM gain as much strength as they can, even at the Alignment's expense. Israel needs a strong Zionist left, and in today's political constellation the Labour Party cannot afford to be too left of centre. It must, however,

remain within the camp which holds that Israel should try to live in harmony with the world and its environment, and believes in humanistic nationalism and the rule of law.

It is important, however, that the Alignment convincingly explain the real differences between itself and the Likud for the benefit of those who might be inclined to accept the latter's perceptions on history, the current reality and the future. The two blocks differ widely on those perceptions, even though from these different perceptions they might still come up with the same, or similar, solutions to specific problems.

When I recently mentioned some of these thoughts to MK Micha Harish, one of Labour's more sober and level-headed second-bench players, and asked whether anyone in the party was thinking on these lines, he smiled and replied: "You ask for too much."

Do I?
 The writer is a writer on Labour Party affairs.

Accepting Waldheim's invitation

Reuven J. Koret

"THE NEVER AGAIN" that Austrians swore as they emerged from the rubble of the Second World War was valid then and is valid today, not only because of the horror of the Holocaust but also because of that terrible mental attitude that gave rise to it: anti-Semitism.

Kurt Waldheim, speaking at his inauguration as President of Austria, sounded for all the world like his country's greatest friend of the Jewish people since Bruno Kreisky. This was after an election campaign in which he and his supporters had engaged in the worst Jew-baiting of the post-war period, rising to power on a wave of anti-Semitic froth.

Waldheim later vowed to continue his country's role as a stopover for Jews leaving the Soviet Union. He planned to visit the Mauthausen concentration camp "soon" and Israel, too, "once spirits will have calmed down." He even suggested that those who had fled Nazi rule come back to their homeland. "I would welcome the return of the Jews to Austria."

What was the response of the Jewish State, refuge to many of the 120,000 Jews who fled Austria, and voice for the 60,000 souls murdered in concentration camps?

Prime Minister Peres and Vice Premier Shamir sought to prevent *Shoah* from being shown in the Knesset on the day of Waldheim's inauguration. They criticized the "inopportune" timing of the screening, presumably because it might offend Austrian sensitivities by reminding Nazi atrocities at the moment the Presidency of Austria would be assumed by a man who may have sanctioned them. Only the

outraged objections of Knesset members who were Holocaust survivors overcame the shamefaced opposition of the government leaders.

Israeli Ambassador to Austria, Michael Elitzur, had been recalled for consultations and was therefore indisposed to attend the inaugural celebrations. Even this feeble gesture was undercut by congratulatory telegrams which Peres and Shamir had secretly sent to their Austrian counterparts, who had assumed their posts with Waldheim's approval and as a result of resignations in protest at his election. On inauguration day Shamir said that while no formal decision had yet been made, he "assumed" that Elitzur would not return.

But less than a week later, Elitzur was back in Austria. Reports from Vienna indicated that he was greeted warmly by Austrian officials, who had previously feared substantial diplomatic fallout from Waldheim's election. If Israel has no problem with their new President, who else could have reason to object?

In my opinion, the Israeli government was actually a bit tardy in ordering the return of its envoy. He should have gone back on inauguration day - to protest in the Viennese streets. His place was beside the rabbi, the Holocaust survivor, and the Catholic clergy who refused to let the infamous event pass in silence. There could have been no more dignified position than for the representative of the Jewish nation to stand as witness, in defiance of

insults and threats from enraged Waldheim supporters.

WALDHEIM sanctimoniously continues to deny any involvement with Hitler's death machine. He repeatedly insists that allegations of a Nazi past are "grotesque"; he was never an intelligence officer; he knew nothing of the deportation of Greek Jews. He rejects the suggestion that "bad conscience" caused him to omit mention of his wartime service in the Balkans.

Sigmund Freud, one of the Jews forced to flee Austria after the *Anschluss*, examined in detail the phenomenon of "bad conscience" in which the guilty, contrary to self-interest, unwittingly act to reveal their crimes. The World Jewish Congress has stressed this aspect in Waldheim's case, since the most incriminating evidence consists of documents he signed himself. These documents, they say, indicate clearly that he was chief operational intelligence officer of a unit which, among many other war crimes, ordered the mass deportation of Jews to Auschwitz. According to them, Waldheim is trying to perpetrate the "big lie" of his innocence by repeating it *ad nauseum* - until it is accepted as truth.

Where does Israel stand in this dispute between a Jewish organization and a former officer of the Third Reich? The official government position is that Israel will go on collecting evidence against Wal-

heim. However, it is unclear if and when the Justice Ministry will ever conclude its inquiry. With each passing day, the delay in its completion weakens the likelihood and potential impact of any conclusion.

In Vienna before the election, I spoke with an Israeli who manages a Judaica shop there. He told me how palpable was the increase in anti-Semitism during the Waldheim campaign, how his shop had been subject to various acts of vandalism, and how Austria was a "graveyard" for Jews. Why did he remain? He shrugged and turned his palms skyward. "What can I do? It's business."

With the Israeli ambassador back in Vienna, it's diplomatic business as usual. The unspoken argument seems to be that Israel needs all the friends it can get, even if they happen to be anti-Semites. There are commercial concerns, there is concern for Soviet Jews, clearly in that order. These legitimate issues of self-interest are, however, perverted by a grotesquely ahistorical sense of priorities.

The idea that Israel could have normal relations with an individual who may have directed trainloads of Jews to the gas chambers is so morally reprehensible that it outweighs all practical considerations. The issue is not buried in the past, but relates urgently to whether the growing legions of liars and deniers of the Holocaust should be allowed to get away with murder.

If there still remains an opportunity for the Israeli government to salvage a shred of national dignity, it lies in the pending decision on whether or not to appoint a new ambassador when Elitzur's term of

office expires later in the year. Before sending a replacement, Israel should insist that the allegations against Waldheim be investigated and his innocence established beyond doubt.

Several prominent human rights organizations have called for the formation of an international panel of historians to investigate the charges against Austria's president. With all its talk about remembering the past and bringing Nazi criminals to justice, why has the Israeli government so far refused to advocate such a commission of inquiry? With the support of other interested nations, and insistence on an independent investigative body, there shouldn't be any harmful diplomatic consequences.

The Austrian president has not, after all, opposed in principle a commission of inquiry. At the same news conference where the "welcome mat" was cynically extended to former Austrian Jews, Waldheim said that he had no objection to an impartial international investigation of his wartime past.

Israel - in good conscience, for its own self-respect as a Jewish homeland and on behalf of those Austrian Jews who can never return home - should be the first to accept this invitation. If not, Israeli leaders will be extending a tacit pardon to perpetrators of the Holocaust, accepting the "big lie" of the revisionists who deny it, and strengthening the "mental attitude" of those (including many in Austria) who would do it again.

The writer is the author of *The Fious Fraud, a psychoanalytic critique of anti-Semitism*.

READERS' LETTERS

BUSH VISIT

To the Editor of *The Jerusalem Post* Sir, - The way George Bush refused to give your correspondent a place in his team in Amman is no isolated incident ("Jordan gives OK," but Bush aides say 'no' to 'Post' man" - July 27). It shows the true essence of what we can expect from him. Bush is here to get political credits for his presidential run, so today he sounds like a friend of Israel. But in office, he is likely to show the same exaggerated desire to please the Arabs that he showed in denying an American Jew the right to travel with him to an Arab country as a reporter.

Don't forget that Bush is the man who led the charge for Awacs to Saudi Arabia, and if the most recent round of arms to Arab states was curtailed because of the Democrats' opposition, the scaling down of that arms package happened against the pressures that Bush and some of his Republican colleagues were exerting.

It is particularly bizarre to see how Israeli leaders allow themselves to be used by the very politicians who are our least reliable allies in the United States. Even acknowledging the need to be courteous to a U.S. Vice President, I believe that Israel would be better served in the long run if it were to challenge visiting politicians more openly. If this cannot be done by the government, it should at least be done by the Israeli political parties.

SANDRA SCHWARTZ
 Jerusalem.

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